The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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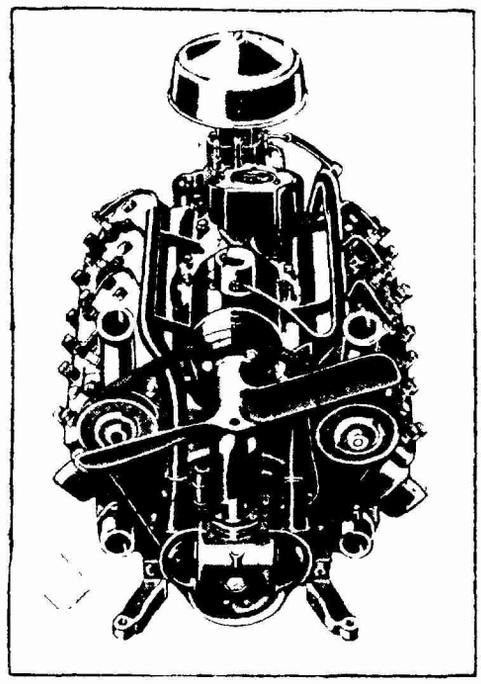

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WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

FIRST JAPANESE IMMIGRANTS ARE STRANDED IN HARBIN

JAPAN'S initial attempt to settle some of her surplus people on the land of the Manchurian "paradise" has been unsuccessful for we read in the Japanese newspapers that nearly 200 out of the first group of 400 that was sent out, are now stranded in Harbin with no money and no work. The report which appeared in the *Osaka Mainichi* on September 14 stated that the 400 peasants were selected from destitute ex-service men in Kagoshima prefecture of Kyushu. They were sent to North Manchuria on August 26, their expenses being supplied by the Seiokai Corporation which raised 30,000 yen for the purpose, the object being entirely altruistic—to encourage Japanese ex-service men to emigrate to Manchuria. Mr. Kubota, director of the Seiokai Corporation explained the failure of his project in the following words,

> "These emigrants left Japan for their farms near Harbin on August 26 with great hopes, but before a week elapsed about 60 returned to Harbin. More followed suit and already more than 140 men have left the farms. I am sorry the men complained of hard work and small remuneration as soon as they came, without patience to stay on the farms for even a month. Most of them were unable to live at home so they ought at least to make a little try in Manchuria. The Seiokai Corporation has already spent Yen 30,000 as traveling expenses of the immigrants. The corporation has no selfish purposes and is solely working for the benefit of the country. We cannot do anything with the men who want to leave the farms."

While this initial attempt to send Japanese farmers to Manchuria may be regarded as an experiment, the chances are that future attempts will be equally disastrous because Japanese farmers cannot compete with either the Chinese or Koreans who already are established in Manchuria. Mr. Kubota's report referred to in the foregoing stated that the Japanese ex-service men refused to work for 60 or 70 sen a day, the wages offered on the Harbin farms, but Chinese farmers often work for half that and even less and manage to live. Most of the Chinese peasant farmers who went to Manchuria arrived in that country with nothing more than the ragged clothing on their backs, but they dug in and usually after a few years owned a small tract of land and were on the road to independence. But no pampered Japanese ex-service man would put up with the privations which the Chinese farmers have ex-

perienced in establishing themselves in this frontier country. However the Japanese apparently are not disheartened for we read in the Japanese newspapers that a further attempt is to be made, this one being managed directed by the Tokyo Overseas Ministry which plans to establish a complete colony of 500 men in Kirin province adjacent to the Korean border. Each man is to be supplied with Yen 1,500 and in addition each will be supplied with arms and munitions for defence purposes. While not defending themselves against Manchurian "bandits" and volunteers, the Japanese ex-service men will be expected to devote their time to the raising of soya beans, kaoliang and millet and the rearing of cattle. According to the reports in the Japanese newspapers this new colonization project looks more like an attempt to establish a military garrison than an actual farming venture.

SOME WORDS WHICH MAKE MEN WANT TO FIGHT

CHESTER H. ROWELL, well-known California journalist, now editor of the San Francisco *Chronicle*, who spent considerable time in Manchuria last year once devoted an entire article to the *Manchuria Daily News*, the official Japanese newspaper in Dairen which Mr. Rowell designated as "the world's worst newspaper." Mr. Rowell reached this conclusion following perusal of several issues of the Dairen paper, one of which contained a letter referring to American reaction on the Manchurian issue which contained the following declaration: "America this time is not dealing with an effete and degenerate Europe but with young energetic and militant Japan and there will be no American troop-ships carrying soldiers to the Far East." The thing that disgusted Mr. Rowell as well as other foreign readers of the Dairen paper was the custom of the editor of that sheet in using quotations from the Bible, most of which apparently were selected with the object of justifying from Holy Writ the military activities of the Imperial Japanese Army in China's northeastern provinces.

Now we have some further references to the United States and American policy regarding Manchuria which inspired the heading to these paragraphs. In last week's issue of *The Review* there was an article referring to the alleged conversation which Viscount Kaneko held with the late Theodore Roosevelt wherein the American president was quoted as advising Japan to declare an "Asiatic Monroe Doctrine." The statement by Viscount Kaneko regarding an alleged conversation which he held with Theodore Roosevelt twenty-eight years ago apparently has inspired other Japanese to dig up further purported statements by Roosevelt, the latest being some advice which Roosevelt was said to have given his successor, President Taft. According to the version in the Dairen paper, Roosevelt told Taft that the United States could do nothing about Japan's activities in Manchuria because to interfere would require a fleet as large as England's and an army as strong as that of Germany. Following this the Dairen paper then added its own comment to the effect that Theodore Roosevelt "realized that every treaty could be 'interpreted' differently and that quibbling over verbose documents leads nowhere." Then followed the prize statement of all which is not likely to contribute to international amity in the area of the Pacific, "Theodore Roosevelt's attitude is a refreshing contrast to the vague meandering, aimless gabbles anent Manchuria by the present day occupant of the White House and his Secretary of State....If Hoover and Stimson were wide-awake, alert statesmen who esteemed hard facts above rainbow theories and heeded the Rooseveltian advice, they would not have clamored so loud and bold concerning the current crisis." The article, which appeared in the September 10 issue of the *Manchuria Daily News* concluded with a further compliment to the American fleet and army, "Analyzing actual conditions, we find the U. S. A. fleet fairly strong in battleships and aircraft, but not so good in cruisers, destroyers and submarines....No overwhelming superiority over the fleet of Japan. The American army has shrunk to a mere garrison force today with no effective reserves; all its wartime units are only memories, remaining as mere paper organizations. The bulk of the trained men are now past military age....the Americans make good soldiers when trained, but they are not invincible. We saw on several occasions during the World War when German counter attacks hurled back the U. S. forces pellmell."

NEWSMEN CONTINUE THE GAME OF "HIDE AND SEEK"

ACCORDING to a report from Manchuria received by *The Review* this week, which report incidentally was smuggled out to Peiping for mailing, the foreign newspaper correspondents are continuing the game of "hide and seek" with Japanese spies and espionage officers in Manchuria. Archibald Steele, correspondent for the *The New York Times*, who was persecuted and forced to reside in the American Consulate in Harbin to avoid arrest by the Japanese because he interviewed the Chinese General Ma Chan-shan, is now being "protected" by the Japanese in curious fashion. Two detectives belonging to the Japanese gendarmery have been assigned as Steele's protectors and follow him everywhere. Everytime Steele sees anyone and sends a dispatch which the Japanese do not like, something always happens to the unfortunate persons that Steele interviewed. Steele protested to the American Consulate and the American Consul-General in turn protested to the Japanese, but the Japanese detectives continued their activities, even followed Mr. Steele on his recent trip from Mukden to Dairen and called on him at the Yamato hotel to question him.

Another correspondent, Emanel Suda, a recent arrival in Manchuria who represents *La Razon* and *La Vanguardia* of Buenos Aires has also been having his troubles. Mr. Suda previously represented his papers in Germany, hence he recently was requested to also send some articles to a German newspaper. He mailed the articles in the Manchukuo post office at Mukden. The next day he was visited by the Japanese gendarmes who wanted to know why he was sending articles to German papers when he was a South American correspondent.

Henry Villard, son of Oswald Garrison Villard, editor of *The Nation* who was traveling through Manchuria on his way to Europe also had a thrilling experience but it was not due to Japanese espionage. His train on the Chinese Eastern line between Changchun and Harbin was wrecked by bandits, but he managed to get back safely to Changchun and took another train over the Ssupingkai-Taonan railway. A troop train ahead of his train was wrecked and the bandits removed the rails behind Villard's train causing him two days' delay. Finally he gave up trying to travel through Manchuria and returned to Korea in the hope of getting to Vladivostok and traveling over the Trans-Siberian line from that port. Mr. Penlington, Tokyo correspondent for the London *Daily Telegraph*, who went to Manchuria was also on the C. E. R. train that was wrecked forty miles south of Harbin. Mr. Penlington lost his valuables and baggage and was stripped to his underwear, but he managed to escape the bandits in the darkness and finally reached Harbin where he recouped his wardrobe.

The bandits also have been making it rather difficult for Japan's and Manchukuo's propagandists. George Bronson Rea, editor of *The Far Eastern Review*, who recently accepted a G.$15,000 a year job as adviser to Manchukuo at Geneva was delayed by bandits wrecking his train on the South Manchuria Railway between Mukden and Dairen, causing Rea to miss his steamer and then there was Henry W. Kinney and his adventure, on the C. E. R. about forty miles south of Harbin when this well known propagandist for the S. M. R. lost all his property, including his clothing and only managed to reach Harbin several hours later attired in a discarded potato sack and piece of canvas. Apparently the only correspondent in Manchuria who has managed to escape all complications either at the hands of spies or bandits is George Gorman of the London *Daily Telegraph* who also as a side-line allegedly conducts the "Facing Facts" column in the official *Manchuria Daily News* under the pseudonym of "P. O'Hara."

FAST OF MAHATMA GANDHI BRINGS RELIEF TO INDIAN LOWER CLASSES

MAHATMA Gandhi, the leader of the Indian Nationalists, went on a hunger strike with a view to improving the conditions of the Depressed Classes (frequently referred to as the "Untouchables"). Gandhi has for many months been a prisoner at Poona, the term of imprisonment being indefinite. When Gandhi announced his fast, last week, the Indian Government decided to release him, but the Mahatma refused to leave. The imprisonment has in no wise affected Gandhi's hold on the Indian populace and it is generally recognized that he has been a more powerful influence in prison than out of it. Should he have died as the result of his fasting there were indications that a wholesale massacre of the British would have been started by the Indian populace. For this reason not only the British in India but caste Hindus exerted themselves in behalf of the submerged section of the Indian masses. The result of the fast, and incidental quickening of reform forces, has been the reaching of an agreement between Hindus, the Depressed Classes and Mr. Gandhi alloting 148 seats in the provincial legislatures to the Depressed Classes, to whom a percentage of seats in the Central Legislature is to be allotted, the general election of representatives being by a system of primary election. The system of reserved seats and primary elections in to cease after ten years. The representation of the Depressed Classes in public services is also provided for. It is to be noted that the system of representation proposed by the British Government for the Depressed Classes, numbering some 30,000,000, was an important part of the Communal Award made on August 17.

A Poona telegram states that the agreement is a compromise cutting both ways but there is no doubt that impetus has been given to the movement for the uplift of the Depressed Classes by reform work on the part of the caste Hindus. Many temples have been opened and other facilities offered. The question now is whether the enthusiasm will remain permanent. The leader of the Depressed Classes, Mr. Ambedkar, is highly delighted with the satisfactory compromise. The caste Hindu leaders are not so enthusiastic but are genuinely and intensely relieved that the great effort to save Gandhi's life has been successful. The compromise agreement has been approved by the British Government. Having gained his object Gandhi ended this fast after having gone without food for six-and-a-half days. He had threatened to fast unto death if a plan for relief of the Depressed Classes was not worked out. The telegrams daily gave hints that Gandhi's physical condition was becoming serious —statements which were somewhat doubtful in view of the fact that hunger strikers and voluntary fasters have gone without food for several weeks and survived.

LEAGUE WILL DELAY DISCUSSION OF MANCHURIA

THE League of Nations has once more deferred to Japanese wishes for delay, and as a result the announcement comes from Geneva that the Council of the League has tentatively set November 21 as the earliest date for a discussion of the Manchurian situation. The report of the Lytton Commission will be published October 1. The long delay was decided upon despite the vigorous opposition of Dr. W. W. Yen, the Chinese delegate, who charged that Japan desires to use the period of delay for further aggression, including invasion of Jehol. In making the request for delay, Mr. Nagaoka, the Japanese delegate declared that the Japanese request was dictated by practical necessities, incidentally asking the Council to consider the state of communications between Japan and Europe. Dr. Yen replied on this point that there was no occasion for Japan to send instructions by special messenger; Japan has a good staff at Geneva and the telegraphs were working satisfactorily, so he (Dr. Yen) strongly deprecated an extension of time. After bringing forward legal arguments to show that the Council was not competent to grant Japan's request, Dr. Yen suggested that the matter should be referred to the Committee of Nineteen, which alone had authority in the matter. Dr.

Yen declared that Japan had already profited by delay to extend her occupation to 400,000 square miles of territory, while the Customs, the Posts and the Salt Gabelle organizations had been destroyed. Dr. Yen added that a telegram had been received by the Chinese delegation which said that Japan was preparing her forces for an invasion of the province of Jehol. Delay was therefore dangerous and a solution should not be delayed but accelerated. Mr. de Valera (Irish Free State), chairman of the Council, expressed regret that Japan, without waiting for a discussion of the report and without even waiting for its publication had taken the step of recognizing Manchukuo and signing a treaty with that state,—a step calculated to prejudice a settlement of the dispute. Mr. de Valera added that he would, however, propose the acceptance in principle of the Japanese request and it would remain to fix the date for the meeting of the Council after an adjournment of a few weeks.

Senor Madariaga, the Spanish delegate, agreed with Dr. Yen that a delay was dangerous. He criticized Japan's action in recognizing Manchukuo, but he supported Mr. de Valera's proposal for an adjournment.

Dr. W. W. Yen then again developed his legal argument against adjourning the matter, but he was unable to carry the Council with him. The Council agreed in principle to an adjournment and the date of November 21 was mentioned as the earliest possible date for the Council to discuss Manchuria. The Council decided that the date on which they should meet to examine the Report should be November 14.

The Geneva telegrams state that Mr. Nagaoka made a final effort to obtain a slight extension of the adjournment owing to the floods around Harbin, but this plea was laughed down. The Council in affirming its decision to meet on November 14, left it to the discretion of the chairman to delay the meeting for not longer than one week if he deemed it necessary.

"PEACE AND ORDER" AS THEY EXIST IN MANCHURIA

THE following news items are summarized from one page (Page 5) of the official Japanese newspaper, *The Manchuria Daily News*, for September 15:—

Noho, Heilungkiang province—Brigadier Hsu Pao-chin of the Manchukuo forces was surrounded by 4,000 bandits and mortally wounded. He had defended the city for six hours before the place was finally occupied.

Tumenling, Kirin province—Early on Sept. 9 small parties of bandits appeared near this city and an attack was made on the Japanese guardhouse of the Tumenling tunnel. Later on a number of sleepers were removed from the railway and three telephone poles cut.

Howantzu, Kirin province—Sixty bandits attacked Howantzu station on Sept 6 but were repulsed by a force of sixteen Japanese and Manchukuo police. Later the bandits, increased to 300, returned and forced the police to retreat following which the station and village were looted.

Yaohmen, on C. E. R.—The Japanese Ogawa unit of the Kungchuling railway guards has been sent to Yaohmen to tackle the bandit menace in this area.

Anshan, Fengtien Province—Some 80 bandits were observed at Tangkangtzu, located east of Anshan. They were engaged by the local police and railway patrols but resisted stubbornly.

Changchun—Since banditry operations are increasing in consequence of the first anniversary of the Manchurian outbreak, the Kwantung (Japanese) police bureau has stationed "flying-corps" and detachments of troops on the Mukden-Antung, Changchun-Mukden and Mukden-Dairen lines.

Anda, Heilungkiang—Gen. Li Hai-ching's refugee-soldiers, estimated at 7,000 which were driven out of Anda, make another attack and again were repulsed on Sept. 5. These outlaws are still prowling about Lamatien-tzu, tampering with the railway tracks.

Peipiao, Jehol province—All attempts of Councillor Liang to restore the Chinchow-Peipiao line have been frustrated by Marshal Chang Hsueh-liang's volunteers who are lording it over the district. Since the volunteers are better armed, Governor Tang Yu-ling's troops must play second fiddle.

Tengwen, Heilungkiang—A Heilungkiang (Manchukuo) regiment of cavalry attacked a gang of insurgents west of Paichuan inflicting heavy damages and causing them to disperse.

Taonan, Fengtien—Approximately 700 brigands led by Hua-shan and Shuang-lin invaded the Chentung area about 25 miles north of Taonan. The band is now south of Kaichi.

Shuangchintzu—This city was occupied on Sept. 8 by a bandit horde numbering nearly 5,000.

Peipiao, Jehol—Large numbers of "big-swords" are appearing in this area claiming they lead charmed lives and are immune to bullets. Wang Te-lin, the Paipiao police chief fired on them killing two and thus destroying the charm.

For the convenience of its readers, and also possibly the General Staff, the *Manchuria Daily News* (published at Dairen) now segregates all items about banditry on one page. The issue of August 31 contained 8 banditry incidents, Sept. 13, also 8, including two train wrecks, while the issue of Sept. 16 contained only four reports. Owing to the censorship no further copies of the Dairen paper have been received in Shanghai. A *Rengo* dispatch from Mukden on Sept. 28 stated there were eleven cases of banditry in the Newchwang district on one day, Sept. 24 while dispatches from Harbin indicate the Japanese have lost control of the entire western end of the C. E. R.

JAPAN DRIFTING TOWARD DEFAULT ON HER FOREIGN OBLIGATIONS

THE drop in the value of the Yen to less than half its par value has an effect on the Japanese mentality that is too often lost sight of, namely that it has an important bearing on "security," not in a financial sense, but in the sense of the safety of the country. No people on earth excel the Japanese in carefully studying world reactions and making their plans accordingly. The famous Twenty-one Demands were forced upon China just at the moment when it seemed that Germany was going to win the war. The descent on Mukden was made when England went off the gold standard and a Tory dominated government came into power in that country. Nor is it to be lost sight of that one reason why Japan has borrowed so liberally from American sources and why it has developed its industry so largely with American machinery—bought on long credits or paid for with money borrowed for long periods—is that the Japanese figured that in this way the moneyed classes of the United States would, at

least within reasonable bounds, be on their side when a time of crisis came. That this line of reasoning on the part of the Japanese was sound had an example in the late Judge Gary of the U. S. Steel Corporation who always saw the Far Eastern situation through Japanese eyes. Naturally enough, the Japanese would argue, there would be no sense in America going out of its way to destroy the security on the basis of which they hope to collect the large sums which have been lent to Japan. In case a war between Japan and America should ever break out, one of the inevitable incidentals would be that the payment of interest by the Japanese on American loans and investments would stop. Therefore the moneyed classes would be strongly on the side of peace. But a new danger to this line of reasoning has intervened, namely the very drastic fall in the value of the yen. For every yen that America lent in past years the Japanese public must now pay out more than two yen (that is yen of the present-day value), and for every yen of interest that becomes due on these loans more than two yen must now be paid out by the Japanese debtors. The result is that Japanese financiers and statesmen are figuratively moving heaven and earth to keep up their credit abroad, and particularly in America, for if it should ever come to the point when the Japanese failed to pay their loans as they become due, or failed to pay the interest on the loans as it became due, the Japanese would find that the American financial public would say to itself, "Well, we might be willing to put up with a bit of 'nonsense' from these little Islanders for the sake of getting our money back, but seeing that they are not able, or at least don't pay us anyhow, what's the use of restraining our feelings. They've slapped us in the face with their Manchurian adventure, so let's start in on them." Now, whatever the Japanese chauvinists and jingoes may say, the last thing the responsible Japanese statesmen want particularly in the near future is a war with the United States. Therefore heroic efforts are being made to pay that American interest, and still another shipment of gold in the sum of G.$3,500,000 was due to be sent out from Yokohama to America September 29 for this purpose.

The plight of Japan as regards its foreign debt was outlined by Tokuhichi Nomura (a member of the Dowakai party), in an interpellation in the Diet recently. He pointed out that through the disastrous fall of the exchange one dollar, which was worth Yen 2.006 before the reimposition of the gold embargo, is now worth Yen 4.34, while one pound sterling, which was then worth Yen 10.70, is now equivalent to Yen 15.03. Japan's foreign debts, he said, totaled about Yen 2,100,000,000 at present, but if these are to be repaid in Japanese currency, Yen 3,670,000,000 will be needed. Her overseas obligations have increased to such an alarming extent that the interest on these debts, which is Yen 110,000,000 at par, will amount to Yen 260,000,000, if it is to be paid in Japanese currency. The interpellator asked how the Government proposes to attend to interest payments on bonds in foreign currencies. He also made a plea on behalf of the Japanese power companies, which are most severely hit by the slump in exchange. Formerly their annual payments abroad on their debentures amounted to Yen 340,000,000, but at the present rate of exchange they have to pay Yen 740,000,000.

Mr. Takahashi, the Minister of Finance, in reply, said that the suspension of the gold standard inevitably led to the fall of the yen exchange to countries which maintain the gold standard. It was inevitable he said, though regrettable, that few people abroad care to invest in Japanese bonds when Japan is off gold and her diplomatic and financial positions are as bad as they are now. He added that the Government was not in a position to help the power companies.

Owing to the heavy fall in the Yen exchange, grave difficulties attend the interest payments on foreign loans guaranteed by the Japanese Government, and as a result the public bodies and semi-official companies affected are daily applying to the Japanese Government for relief. Among the large enterprises which has been hit is the Oriental Development Company, which has been exploiting Korea, and it is considered that the Japanese Government will be obliged to take over the interest payments of this company, subject to the approval of the Diet. The Yokohama Municipality, whose interest payments at par amount to Yen 1,500,000 annually, is now obliged to find about Yen 4,000,000 owing to the fall of the yen. As Mr. Kawada, as Vice-Minister of Finance, had given a verbal promise to Yokohama of Government help in case of need, the Japanese Government will have no alternative but to supply part of the interest payments.

Interviewed by the *Asahi* recently at his Hayama villa, where he its now recuperating, Mr. Takahashi, the Finance Minister said that, as Admiral Saito, the Premier, had emphasized at a recent Cabinet Council, the new Budget must be compiled on the lines of retrenchment. He said he did not mind if on this account the new Budget exceeded the Yen 2,000,000,000 mark, as it was likely to. The Manchurian affair involved a big expenditure, but the Finance Minister said he was glad to note that both the War Minister and the Minister of the Navy had been particularly careful in making demands for money. He added that he hoped that all the military and naval authorities would act likewise. The Finance Minister admitted the difficulty of compiling the new Budget, but said that the idea of increasing taxes did not commend itself. It is true that some sections of the Finance Department officials are in favor of increased taxation, but he could not support their view. The mental effects of higher taxes on the people must be deeply considered, he said and an increase deferred to a time when there is some revival of business, and the people's bearing capacity had increased. Referring to the exchange problem, the Finance Minister said that the matter is receiving the careful study of the Finance Department authorities, but in his opinion any artificial measure at the present time was obviously unwarranted.

U. S. Consuls to Remain in Manchuria

The *New York Times* Washington correspondent recently telegraphed that the United States plans to retain her consuls in Manchuria indefinitely to deal informally with the Manchukuo authorities when necessary. American consuls who are accredited to China will legally continue in that status.

In case of need, according to the *Asahi* correspondent American Consuls will be directed by Washington to conduct negotiations informally with the authorities of the Manchukuo Government for the protection of American rights and interests. When the presence of American Consuls of such a status gives rise to trouble in Manchuria, it will be time enough to withdraw them, it was intimated.

The Adventures and Tribulations of Henry W. Kinney

(Reprinted from The China Press, September 26)

HENRY W. Kinney is head of the propaganda department of the Japanese Government-owned and operated South Manchuria Railway, which traveres a considerable portion of China's northeastern provinces. In connection with his well-paid job of boosting Japanese interests, military and otherwise, Mr. Kinney in recent years has turned out a number of books, pamphlets, reports and other types of propaganda, some of which contained interesting and instructive material.

In one of Mr. Kinney's books dealing with Japanese enterprise on the Asiatic mainland, which was entitled "Modern Manchuria," and which was issued in February, 1928, we find some significant statements which we are going to reprint, but first we desire to again call attention to the date of the book, February, 1928, which was three years and seven months before the Imperial Japanese Army occupied Manchuria.

The quotations which we are reprinting herewith are taken from the first chapter of Mr. Kinney's book and deal with the immigration of Chinese peasant farmers into Manchuria from Shantung and other provinces South of the Great Wall. Here is the first statement:

> "Warfare, prevalence of banditry, excessive taxation, and famines (south of the Great Wall) have so harried the native population that in desperation those who can find the means to travel at all hasten to seek the *benefits of peace and order and the chance for better living conditions which Manchuria offers.*"

We italicised part of this sentence because there we have it in the words of Mr. Kinney, official paid propagandist of the Japanese railway, that conditions in Manchuria were peaceful and orderly in 1928 when that territory was ruled by the Chinese some three years preceding the military occupation by the Imperial Japanese Army. But we hasten on to more direct testimony by Mr. Kinney:

> "Other peasants settle immediately on lands which are placed at their disposal by the owners of vast tracts, which are cut up for such settlement. As such owners are usually high officials they generally clear these tracts of bandits, and in some cases they have even ploughed the lands by means of tractors....somewhat similar to that employed in the United States and Canada....The immigrants are usually furnished with seed and very small sums which will enable them to carry on a frugal existence until they may harvest crops, the arrangement with the landlords being usually a crop-sharing contract."

So there we have it again, the Chinese Manchurian officials cleared the land of bandits and by using modern American and Canadian large-scale farming methods, assisted the peasant farmers in gaining a foothold in the new land of Manchuria. Surely far-sighted officials who adopted such practices could not have been entirely bad. But we pass on to more evidence presented in Mr. Kinney's report on conditions in Manchuria before the Japanese occupation:

> "Manchuria has been fortunate in so far as actual warfare has remained far from its borders. While chaos reigns supreme in the rest of China, the Three Eastern Provinces have continued to advance, increasing population, productivity, railway mileage and various other developments in which Chinese, Japanese and other foreigners have taken part."

Thus is the evidence of peace and order and the beneficence of old Chinese officialdom in Manchuria in assisting the peasants, presented by Mr. Henry W. Kinney in an official report which was printed and paid for and distributed over the world by the South Manchuria Railway.

But sad to relate, conditions have changed. The Imperial Japanese Army, announcedly for the purpose of further guaranteeing "peace and order," moved into this vast territory, ousted the regularly-constituted native administration and took over the area. The Japanese now have been in control for a full year and instead of the peace and order which previously prevailed and to which Mr. Kinney has so fully certified, what do we find?

We find a formerly peaceful and orderly country thrown into almost complete chaos and turmoil with "banditry" rampant on all sides and railway communication almost completely paralyzed. By their own admission the Japanese have suffered 5,600 military casualties and almost as many civilian casualties. The American, British and German consuls in Manchuria have warned their citizens not to venture even into the outskirts of the cities and towns where they reside. Business throughout Manchuria is completely paralyzed and most non-Japanese firms are closing up their enterprises while Japanese firms have suffered tremendous losses.

But to get back to Henry W. Kinney: that gentleman recently was on a Manchurian train proceeding from Mukden to Harbin, announcedly for the purpose of inspecting conditions preparatory to taking a trip to Geneva for the purpose of assisting his Japanese employers in the presenting of their case before the League Assembly. The train on which Mr. Kinney was traveling was wrecked by "bandits," and Mr. Kinney had a rather difficult time of it. The bandits took all his money and other property, including his clothing and according to the news report, he arrived in Harbin several hours later attired only in a discarded potato sack and a piece of canvas. Mr. Kinney told the story of his exciting adventure in the course of an interview which appeared in the *Evening Post and Mercury* last Saturday, said interview being too long for reproduction in these columns. But we are reprinting a few excerpts which make interesting reading in the light of Mr. Kinney's previous testimony about the orderly conditions which prevailed in Manchuria when the Chinese were running the country:

> "I noticed that several of these savages were in the old military uniform, with which I am familiar because of my seven years' residence in Manchuria ....Furthermore . I can testify that all the bandits whom I saw were armed with the same regulation military pistol which is far too expensive a pistol for ordinary bandits to carry....They robbed practically everybody in the train, Chinese foreigners and Japanese alike, killing five soldiers, of whom two were wounded men and wounding several passengers....I wish particularly to call attention to the fact that my experience shows there cannot be the slightest doubt that these marauders along the C.E.R. are armed and led by command of Marshal Chang Hsueh-liang. That they are savage and cowardly should probably not cause wonder as in this they are merely following the example of their degenerate

drug-taking chief, whose cowardly murder of his friend Yang Yu-ting is still remembered. While, however, the ex-administration of Manchuria quickly displayed every sign of degeneracy, one might have expected that as, after all, banditry was the very foundation of the Chang dynasty, it might as a point of honor have tried to prevent this important phase of activity from degenerating also....it may be logical for Chang Hsueh-liang's soldiers to practice their depredations on Japanese, and also on foreigners, as anti-foreignism has been one of the keynotes of the present Chinese regime but what cannot be explained, except as an evidence of absolute unbridled savagery, is the dastardly manner in which these bandits of the Peking administration kill, rob and rape the innocent Chinese in Manchuria."

The Kinney interview which occupied practically two columns in the *Evening Post* concluded with this sentence: "Mr. Kinney is leaving shortly for Geneva where he will act as an assistant for Mr. Matsuoka, Japanese Chief delegate." It is our fervent hope that when Mr. Kinney gets up in Geneva to tell those assembled at the League Conference about Marshal Chang Hsueh-liang and the Manchurian "bandits" that none of the Chinese delegates will be so unkind as to confront Mr. Kinney with some of his previous statements about the orderly conditions which prevailed in that territory before the Imperial Japanese Army stepped in and upset everything.

Is the World Getting Ready For a Far Eastern War?

THE German. *Transocean* service which distributes its news in China through *Kuomin*, has frequently referred to the mysterious trip of General MacArthur, chief of the general staff of the American Army to Poland and Rumania. General MacArthur apparently hurried to Europe immediately after the so-called "battle of the bonus" at Washington and went immediately to Poland where he attended the annual Polish army manouvers. He made no official statement as to the purpose of his trip but merely remained in Poland apparently interested only in a study of the military situation along the Soviet-Polish border. Now we read in a *Transocean-Kuomin* dispatch that Gen. MacArthur has gone to Rumania where he is the guest of King Carol. Here he also is stated to be studying the state of armaments of the countries bordering on the Soviet Union, including the so-called "succession-states." It was alleged that the American Chief-of-Staff was making this study in connection with the forthcoming Disarmament Conference, but also, and of more significance, in connection with a possible Soviet-Japanese conflict. It is obvious of course that Japan would not think of attacking Rússia without the assistance of Poland and Rumania (and France) in Europe because the Soviets now have more than 300,000 troops on the Siberian frontier. Should Poland and Rumania, with French backing, support Japan, this would necessitate the Soviets keeping most of their troops on the European frontier and thus simplify Japan's seizure of Siberian territory somewhat in the manner of Japan's conquest of Manchuria.

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The official Soviet *Tass* news service had nothing whatever to say about the visit of Gen. Douglas MacArthur to the Soviet frontier, but it frequently has had considerable to say about the views of Gen. William S. Graves (retired) who led the American Expeditionary Forces in Siberia during the inter-allied intervention in 1918. On September 27 *Tass* telegraphed a summary of an article which Gen. Graves contributed to the Philadelphia *Public Ledger* wherein the American military commander declared his view that the present situation in the Far East is fraught with grave possibilities and that the only way to prevent its development into a new world war is by the establishment of normal relations between the United States and the Soviet Union. Recalling the activities of the White Guard Gen. Semeonoff during the inter-allied intervention in Siberia in 1918, Gen. Graves declared, "When the American expeditionary forces were in Siberia, Semeonoff organized the murder of several of our soldiers in order to inflame our men against the Bolsheviks. I have definite information that Semeonoff is now again in Manchuria, and one may be quite sure that his presence there will prove a source of mischief. Manchuria teems with Russian white guards and they are ready for anything in order to aggravate the situation and to involve other countries in conflict." Gen. Graves is the author of a recent book, "America's Siberian Adventure," which flays the Japanese for their activities during the period of the intervention. First the Japanese promised to send in 14,000 troops similar to the Americans, but the Tokyo general staff sent in 75,000 and made all preparation for keeping them there permanently. They were forced out as a result of American (and Russian) pressure shortly after the Washington Conference in 1922.

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The reports by both *Reuter* and *United Press* tell of the growing anxiety in Washington regarding the possible outcome of the League's investigation of the Manchurian crisis. That the fate of the League hangs in the balance, was the view of Washington officialdom, according to *Reuter's* message on September 25 which quoted British correspondents in the American capital to the effect that the American press generally believed that a relinquishment of the stand taken against the Japanese occupation of Manchuria and to consider Manchuria anything but an integral part of China, would be to show the futility of Article X of the League Covenant, and would be tantamount to withdrawal of the members of the League from the previous commitment. The report forecasted a full break between Japan and the League. In this connection the *United Press* reported that Senator David A. Reed of Pennsylvania who has been touring European capitals, was actually on a mission for the State Department, his object being to line up the various countries behind the Stimson policy of non-recognition of Japan's stolen property. The German *Transocean* service then came along with a speculation about what would be done with Japan's mandated South Seas islands in the event Japan did withdraw from the League and suggested they might be handed back to Germany.

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The *Living Age*, well-known American journal, devoted major editorial space in its September issue to a discussion of the possibilities of war in the Pacific, declaring that "the war danger is no longer an academic matter." Quotations were presented from various Japanese military leaders showing conclusively that Japan intends to hang on to Manchuria even at the cost of a general war, and this naturally led to a consideration of Japan's possible allies. "Whether Japan will win the support of England remains problematical; that she has enjoyed the support of France seems more than likely," was the conclusion of the editor of the *Living Age*. In connection with the possible attitude of Great Britain attention was called to the fact that Japan's attack on Manchuria occurred almost immediately after the Tory-dominated and so-called "National" government was formed in England. The Tories always have been pro-Japanese in their inclinations since the days of the Anglo-Japanese Alliance, presumably on the grounds that imperialists should stick together. However, the British Labor and Liberal parties are against Japan and the recent rumors of a split in the British Cabinet indicate that the Tories may not have a free hand in the directing of British foreign policy. However, there also have been recent rumors that the French are changing their attitude toward the Japanese and may finally decide to support the Hoover-Stimson policy. The American magazine *Time* in its September 5 issue hazarded the suggestion that Benjamin Disraeli would have lauded Japan's present activities, "but international ethics have advanced since the death of the pomaded English Earl."

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In the meantime discussion waxes hot in the American press on the so-called Hoover-Stimson policy of non-recognition of territories acquired by force in violation of international treaties, particularly the Kellogg Anti-War Pact. William R. Hearst, owner of the Hearst Newspapers, who is Democratic this year and an enthusiastic supporter of Roosevelt, has been lambasting the Hoover-Stimson policy as irritating to Japan and likely to get the United States involved in a war with Japan when America is unprepared for such a struggle. This means that Hearst is actually supporting Japan, a fact which was brought out recently when the Tokyo Privy Council decided to recognize Manchukuo. A high Japanese diplomatic official, possibly Ambassador Debuchi recently returned to Japan from Washington, reported that Hearst was the strongest supporter of Japan in the United States, most of the other newspapers being opposed. In a recent editorial broadside, Arthur Brisbane, editorial director of the Hearst Press declared, "This country is not dictating her course to Japan. Meddlesome officials that talk about Shanghai and Manchuria do not represent the American people. Japan needs land, for her surplus millions, can cultivate it well, and protect its inhabitants. That does not concern us, unless Japan tries to take some of our land. If Japan can seize many square miles of territory and thirty million population from China, in Manchuria, that does not concern us. We looked on, and even cheered, while our associates, the Allies, were stealing colonies and billions from Germany, setting up silly new nations and wiping out the Austro-Hungarian empire. Why should we protest if 60,000,000 Japanese are able to take needed land from 400,000,000 Chinese? That will straighten itself out later, without interference from us."

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That the United States holds the key to the Far Eastern situation was the opinion recently expressed by Robert Cromie, publisher of the *Vancouver Sun*, who made a tour of the Far East two years ago. In a recent editorial on the Manchurian crisis, Editor Cromie declared, "Japan and the United States Will Fight," and followed up this statement with the following pointed remarks,

> It seems clear that Japan's present defiance of the League and President Hoover on the Manchurian question is a challenge that will have to be accepted and fought out by United States.
>
> This world is going to be run by AGREEMENTS AND COVENANTS or by ARMAMENTS AND CONQUEST. It is now for United States to say which. Sometime soon we shall reach the stage in the relationships of STATES which was reached centuries ago in the relationships of INDIVIDUALS.
>
> And the sooner the better.
>
> The voice of United States is the one voice in the world which in action has not expressed itself. In sentiment, yes. In fact, two of the three great instruments of world covenants and pledges, the League Covenant and the Kellogg Pact, let it be said to American credit, were sponsored in Washington.
>
> Japan has now fingered her nose to Secretary Stimson and to United States. Foreign Minister Uchida declares Japan will recognize the new Manchuria State, defying in effect United States and the League.
>
> Japan says "Those who seek to place upon Japan responsibility for the Manchuria Revolution directly to our military operations, simply labor under ignorance of the facts." Japan, Count Uchida says, in effect, will work out her own solution of the Far East problem.
>
> The Human Family is fed up with fighters and fighting, and if it had actually to go over to Japan to fight out this issue of covenant or conquest, there might be an inclination to allow Japan to run amok.
>
> Happily, the subduing of world outlaws is not confined to guns and ships; trade and credit are today more weapons of discipline.
>
> Japan has timed her reply in an election period which makes it embarrassing for United States to properly answer. Japan has the acuteness and astuteness of a child's impertinence in the presence of company.
>
> United States is at present making a great fuss over her presidential elections.
>
> But whether United States for the next four years will live under a Republican or Democratic President, is of much less importance that the question of whether or not United States will live in a world run by American ideas of INDEPENDENCE and COVENANTS, or Japan's ideas of DOMINANCE and CONQUEST.
>
> After the diplomatic notes and bowings and shilly-shallying are over with, Uncle Sam, like the rest of the world, will finally have to answer and deal with Japan.
>
> How will he do it?
>
> Will the answer be made by American ships and guns and lives, or by the three instruments of world peace, which are:
>
> (a) The League of Nations Covenant, 1920, whereby nations agreed to settle disputes by conciliation. (For political reasons United States and Russia did not sign.)
>
> (b) Locarno Treaty, 1925, signed by all leading powers, who agreed to submit disputes to pacific settlement, and in no case to resort to war. (Under this Treaty, Britain guaranteed that if either France or Germany attacked each other, Britain would side in with the attacked.)

(c) Kellogg Pact, 1928, signed by all powers, which was initiated by United States and supported by France, CONDEMNED recourse to war, and agreed that disputes be settled pacifically. This Pact, read with others, indicates that contracting parties will refuse to trade with any nation who violates its spirit.

If Japan is plainly told that she must "team it" with the world for peace, or under the above agreements will lose her world trade, Japan will soon fall in line.

And it will be the first time that a world power has been brought to heel by the weapons of economy. It will be a new day for world peace.

United States is the world's great unknown factor.

It is very clear that United States must talk plainly now or later on fight.

Naturally speculation is rife regarding the motives which impelled a majority of the delegates at the recent meeting of the League to vote in favor of a postponement of the discussion of the Manchurian crisis to mid-November, despite China's fight for immediate consideration. Some think it was due to a desire to postpone the issue until the American national election is out of the way and the American people will know whether they are to be ruled for the next four years by Republican Hoover or Democratic Roosevelt. The chances are that it will make little difference in American Far Eastern policy whichever way the election goes, but the Japanese are banking on a weaker American policy in the event Roosevelt is elected. While this consideration may have had something to do with the decision to postpone consideration of the Manchurian issue, others believe that it was due to a belief held in certain League quarters that China shortly will be forced to cave in and negotiate with Japan on Japan's terms—which would of course ease the pressure on the League and enable that body to side-step taking a definite stand on the troublesome question. Only the future will determine whether that viewpoint is the correct one, but it is obvious that this question of negotiating with Japan now constitutes a major domestic political issue in China and may result in another civil war that would throw the entire country in turmoil and thus enable Japan to get away with her recent Manchurian territorial acquisitions, since it would have the inevitable effect of weakening Chinese resistance.

Foreigners in Japan to Give Up Permanent Land Leases

Calling on the Foreign Minister Count Uchida, at Tokyo Sept. 22, the British Ambassador, Sir Francis Lindley, submitted proposed measures for settlement of the ancient question of permanent land leases by foreigners in Kobe and Yokohama. Count Uchida accepted the proposal to open negotiations based on the plan. It was understood that the scheme provides in part: (1) That British nationals will abandon their lease rights and recognise jurisdiction of the Japanese Government in future and (2) that Britons will pay taxes to the Japanese Government on their land.

Philippines Tighten Up Regulations on Chinese Immigration

Further restrictions on Chinese immigration into the Philippines were imposed on September 16 when a new Customs administrative order became effective reducing to ten days the limit for an appeal from an adverse opinion against a laborer by the insular Collector of Customs. Ten days after such a decision the rejected immigrant's bondsman must surrender him for deportation to China by the first steamer.

Dr. C. T. Wang Speaks on Peace in the Pacific Basin

The following are extracts from a speech by Dr. C. T. Wang, former Minister of Foreign Affairs, delivered at the meeting of the Pan-Pacific Association of Shanghai, at the Foreign Y. M. C. A. September 23, at which he presided.

"We are here holding our annual meeting of the association. It seems to me that besides reviewing its work during the past year, a task which I will leave to our secretry to perform, we should look forward to what we hope to accomplish in the future. To enable us to form a workable program, we should take into consideration the situation that confronts the countries bordering on the mighty Pacific Ocean today. The object of the Pan-Pacific Union is to bring about better understanding and closer co-operation between these nations with a view to avoiding conflicts and promoting peace among them. Unfortunately the present atmosphere is far from what we would like to see. Dark clouds are hanging heavily over our heads with thunders of war rumbling in the distance and occasional flashes of overhanging clouds. What, under such circumstances, should we as members of this Association do, and what should be the program of our association as a whole for the next year and the years following?

"I say that it is only with a strong and united China we shall be able to maintain peace in this part of the Pacific basin. A weak and disrupted China would be too much of a temptation to any military power itching to grab the best portions of other people's land. So the first duty of our people is to make our country strong and united. What then can be a better means of accomplishing that than launching a vigorous campaign for the building of roads, railroads and other means of communications. The greatest obstacle we have to encounter in China in our efforts to unify the country is her huge size. The object of the Pan-Pacific Union being to bring about better understanding and closer co-operation between the nations bordering on the Pacific Ocean, as I stated at the outset of these remarks, then it naturally follows that as a unit of this Union, we should take upon our shoulders the dual task of knowing the other Pacific countries and of interpreting our country to them.

"Comparatively speaking we know some things about the United States of America. Many of us present this evening have been educated there. We know much less of Canada and hardly anything of Mexico. When we come to the numerous republics in Central and South America, I am afraid many of us would have to blush furiously if we were asked to name the capitals of say half a dozen of these countries. Then again there is that marvelous continent of Australasia in the southern part of the Pacific Ocean with the innumerable number of archipelagoes generally known as the South Sea Islands. How much do we know about them?

"Even speaking of the United States of America, I dare to say the percentage of our people who have a working knowledge of this wonderful Sister Republic of ours will be found to be infinitesimal. Viewing the question from the other direction, I hope I will not be considered as presumptuous when I say that those countries know less of us. In either case it is our own fault. Our neighbor, Japan, knows and is known much better than we So I will call upon our members to devise ways and means not only to get acquainted with these countries by studying up books and magazines about them, but also to organize parties to visit them and learn things at first hand."

S. M. R.'s New President Displeases Militarists

As mentioned previously, the recently appointed President of the South Manchuria Railway Company, Count Hayashi is reported to have expressed his intention of resigning at an early date as his views have clashed with those of the Mr. Hatsuda, Vice President of the concern. It is said that Count Hayashi has appointed three directors of the South Manchuria Railway in utter disregard of the opinion of Mr. Hatsuda, who had recommended to the Government persons of his own choice before the appointment of Count Hayashi. Moreover, Count Hayashi's recent utterances are said to have displeased military circles. Count Hayashi is credited with the statement that he is entrusted by the Government with everything in Manchuria except subjugation of bandits which, he said, falls under the duty of General Muto, new Commander of the Kwantung Army. This statement is taken by the military as overstepping the bounds within which the Count should have kept himself.

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Japanese Prepare to Invade Jehol

It will be remembererd that during the summer the Japanese telegrams frequently referred to the fact that operations against the bandit-volunteers were made difficult through their being able to hide in the kaoliang (millet). Now that the kaoling has been harvested telegrams from Manchuria indicate that the Japanese intend to start one of their "big pushes." At a meeting in Mukden September 27 summoned by General Muto, Japanese "governor-general" of Manchukuo, and attended by other high military officers from Chinchow, Harbin and other cities, it was unanimously decided that, with the reaping of the kaoliang which has been used as a screen by the volunteers during the past two months, an expedition should be launched against the volunteers without delay. Following the subjugation of the main forces of the volunteers, the military officers of the Kwantung Army intended to start another invasion into Jehol and the Shanhaikwan area. Large forces of Japanese troops are reported to have been dispatched to North Manchuria from Korea and some from Japan via Dairen during the past several weeks.

In the meantime there has been considerable activity in the Tsitsihar region, where the railway station was occupied by General Ma Chan-shan's forces on September 26. Fighting was still proceeding between Tsitsihar and Angangchi. Kannan, Halatun and Tungkuantun along the Tsitsihar-Koshan line were reported to have fallen into the hands of the volunteers who had established a junction with the Heilungkiang forces.

The news from Tsitsihar as it reached Japan was that a plan to massacre all Japanese in the Manchuli and Hailar districts, numbering about 200, was afoot. The message, sent to Japan by a prominent Japanese news agency, attributed the plan to Chinese railway guards who were reported to have revolted.

The Japanese have augmented their troops considerably in Manchuria of late. Since the beginning of September 17 train-loads of Japanese soldiers, totalling from 30,000 to 40,000 men including the 6th Japanese Division, have been entrained to Mukden from Antung via the Antung Mukden Railway. A small portion of these fresh reinforcements are remaining at Mukden but the majority have been dispatched to North Manchuria to assist the Manchukuo units in attacking the Kirin and Heilungkiang Volunteers. Traffic on the Kirin-Hailung Railway was suspended owing to the heavy troop transportation.

A renewal of Volunteer activities in South Manchuria was reported in Chinese messages from Chinwangtao beginning of the week. It was stated that about 9,000 volunteers under the command of General Chia Ping-yi had occupied Fuku and Tungkiang. In a battle with the Japanese garrison at Tungkiang, the Volunteers claimed to have killed 100 Japanese. Their booty included one big field gun and 300 rifles. Changwu on the Yangsimu Ho, which was captured by Volunteers some time ago, has however, been retaken by the Japanese. The Volunteers, nevertheless, attacked the town again.

According to another Chinese message, the Volunteers who have been converging on Chinchow, have diverted their attention to Shin Shah, Ta Lin Ho and Shangyangtien. The Japanese are alleged to have instigated the local Militia at Chinchow to fight against the Volunteers. Many refugees continue to flock inside the Great Wall from Liaoning province.

Shanghai-Hangchow Motor Road Opened—Buses Cover Distance in Six Hours

A Hangchow message states that the Shanghai-Hangchow Inter-Provincial Highway will be open to traffic on October 1. Formal inauguration ceremonies will take place October 10. The highway, which has been under construction for some time by the Kiangsu and Chekiang Provincial Authorities passes Chapu, the proposed site of the Great Eastern Harbor, as well as Haining, which has been made famous as a vantage point to view the Hangchow Bore.

With the opening of the highway, regular motor-bus services will be run between Shanghai and Hangchow, the journey taking about six hours

Civil War in Shantung Still Continues

The civil war in Shantung has so far shown no signs of abating. A message from Chefoo September 27 stated that General Liu Chen-nien with a force of 8,000 men was surrounded at Laichow (Yihsien) by General Han Fu-chu's army, but was expected to hold out for an indefinite period, owing to the fact that the troops are supplied with food for six months. In the meantime, Brigadier-General Li Shuan-te, who is commanding a force of 5,000 men belonging to General Han's troops, had occupied Lungkow. The main body of General Han's forces, comprising from 8,000 to 10,000 men, was proceeding by the motor road to Chefoo, and after occupying Hwanghsien announced its intention of advancing on Tengchowfu (Penglai). Han's forces were making slow progress owing to the bad condition of the roads. They had Chefoo as their objective, but one of the obstacles in their way was a detachment of General Liu's troops at Fushan. Chefoo, meanwhile, remained quiet, due to the protection afforded by the naval forces. The population of the surrounding country was, however, reported as being terror-stricken.

General Han Fu-chu's representative, General Chang Yueh arrived at Nanking September 27 to report to General Ho Ying-ching, minister of war, on the lastest developments in the situation in eastern Shantung. He later proceeded to Kuling for a conference with General Chiang Kai-shek. General Chang Yueh told representatives of the press at Nanking that in compliance with the orders from the central government, military movements on the part of General Han have completely ceased, and there has been no further advance toward Chefoo since the occupation of Lungkow.

In order to show his determination to defend Laichow (Yihsien) against General Han Fu-chu to the last man, General Liu Chen-nien (according to a Peiping message) has prepared a coffin for himself. Besides this he has placarded the beleagured city with slogans such as "We are not afriad to die" and "We are determined to hold the city at all costs."

Chinese Marines Land at Chefoo

A new development in the Shantung situation occurred on Sept. 24 when marines from the Chinese warships *Hai Ching, Chao Ho and Kiang Lee* landed and assumed charge of the city with the local police. The Marines met with no resistance; not a single shot was fired. The gunboats belong to Marshal Chang Hsueh-liang's north-eastern squadron. A machine gun has been stationed outside the Hongkong & Shanghai Bank building at Chefoo.

Why Liu Chien-nien Retained Revenues

(From a Correspondent in Shantung)

It is alleged that since January of this year the central government has not been sending Liu Chen-nien the $100,000 a month it has promised him, with the result that since that time Liu has been retaining those provincial revenues of his area which had been coming to General Han. It is admitted that Han made the first military move. So far it seems only rear-guard actions have been fought. Unless there are bigger moves behind the scenes, the foreign papers have been making entirely too much fuss over this matter. There is some reason for believing that Japanese have been sending some of the telegrams appearing in the foreign press. I feel certain that interested parties, especially the Japanese are giving this so-called "Shantung Crisis" all possible publicity for the benefit of the League of Nations, possibly to offset the impression created by the chaos in Manchuria. That Liu Chen-nien is supported by the Japanese I am inclined to doubt.

"Manchester Guardian" Says Shantung War Plays Into Tokyo's Hands

If the Shantung war-lords are not definitely playing the Japanese game they could not have presented Tokyo with a better opportunity, comments the *Manchester Guardian* on the outbreak of hostilities in that province. The paper observes that rapine and civil war are the normal rule in China, but the trouble in Shantung has special importance owing to the attractiveness of the peninsula to Japanese militarists and imperialists. A military diversion in North China, it points out, would be valuable both to the Japanese soldiers in Manchuria and to the Japanese diplomatists

Only a Disastrous Foreign War Can Save China?

BY HOH CHIH-HSIANG

GEN. CHAO YI-CHIEN, Chief of Staff Office of 19th Route Army, was once credited with this ironical but pathetically true statement: "China's salvation lies, not in peace, but in war. Only a gigantic and disastrous foreign war involving the killing of a tremendous number of soldiers and their petty chieftains can save China from her perpetual internal chaos. China, at present, has the curse or fortune of possessing the largest Army in the world, which is at once both passive and aggressive. If this huge mass of armed men is not forced to defend the nation against foreign aggression, it will certainly ruin China in an everlasting internecine civil strife." This statement gained publicity in the Chinese press late last March, when the 19th Route Army strongly persisted in fulfilling its pledge of determined prolonged resistance, while the Nanking Government weakened and decided to come to terms with the Japanese at Shanghai.

Any one who is acquainted with the tragic history of feudalistic and regional militarism in China during the past two decades can not but agree with Gen. Chao in his observation and recognise the soundness of the above statement. The curse of regional militarism and superabundance of soldiers in China is deep-rooted and is impossible of eradication by any internal political means. The regional militarists are a group of grimly realistic people and not endowed with any such common-place sentiments as patriotism, national welfare or the like phrases. The one and only motive that dominates their thoughts and actions is self-aggrandizement. A never satisfied thirst on the part of the militarists for more territory and more revenue to recruit more troops and buy more ammunition underlies the cause of all civil wars in China during the past twenty years. This evil can not be eradicated, unless its root is removed. The vast hordes of armed men in China can not be united or disbanded and yet must be occupied in some way to give an outlet to their stored energy. The inevitable consequence is that they have to fight among themselves. When one militarist rises into power, he is sure to eliminate his petty rivals. If he grows too aggressive, he will be overthrown and his place taken by a still more ambitious rival. Thus, the process of absorption, elimination and disintegration of the country goes on and keeps China in never-ending internal disturbances. To relieve China of this curse, it seems, there is no other panacea but a foreign war, a disastrous foreign war forced upon all the Chinese regional militarists which should prolong for years and threaten the destruction of their regional kingdoms. Only after sustaining an overwhelming defeat involving the killing of a million of soldiers and being faced with imminent national extinction, will they realise the necessity of unity and cease internecine strifes among themselves. Only then and only thus, perhaps will China wipe out her humiliation as a nation of cowards and win the world's respect as being capable of sacrifice and self-defense.

As the present situation stands, the hope for China's salvation seems to have not yet dawned. After the Japanese have consolidated and pacified the Three Eastern Provinces and when they begin to launch a still more aggressive war on China Proper, then the situation may induce a change. As there is yet time, the Chinese regional militarists have to engage in more fratricides. Scarcely had the Japanese troops evacuated Shanghai since the Shanghai hostilities and had three months elapsed, no less than two civil wars have broken out, one in South China and another in Shantung which is now raging. Had the Japanese already forced a war on both Kwangtung and Shantung and had China not been cursed with too many soldiers, these two fratricides would not have happened. Let us take up the South China case first.

Gen. Chen Chi-tang is a powerful and aggressive militarist dominating South China provinces. His ambition of self-aggradizement goaded him to make a bold bid to center all the land, navy and air forces in Kwangtung under his sole control. While he succeeded in seizing the Canton Air Force by a political coup, he had to resort to arms in order to snatch the naval squadron from his recalcitrant kinsman, Admiral Chen Chak. Chen, the Admiral, equally ambitious, became bellicose and refused to hand over his gunboats without a struggle. Thus, deadlocked, the two Chens had no way to adjust their conflicting interests but to fight it out and precipitated a disastrous civil war in face of an acute national crisis and ended only with the defeat and expulsion of the Admiral and victory of the General.

While the Shanghai War was in progress, Gen. Chen, after receiving many urgent appeals from the Shanghai Defense Force and people, reluctantly dispatched here a few airplanes to combat the Japanese airbombers. Before these planes had a chance to demonstrate their feat in the air, they were caught by the Japanese in a surprise at Hangchow, resulting in several wreckages. But, curiously enough, the same air squadron which met with disaster in Japanese hands operated with remarkable efficiency in its air expedition against Admiral Chen's naval base and gunboats. A large section of Hainan Island was badly bombed from the air and one of the largest and historically famous gunboats bearing the name of the late Dr. Sun Yat-sen was wrecked. On the other hand, Admiral Chen had watched with equanimity the Japanese bombardment of Shanghai by Japanese warships during the progress of war here and did not dare even making an attempt to come the assistance of the Shanghai defense. He had cautiously preserved his gunboats intact, but did not hesitate in the least to stake his entire squadron in a private war with Gen. Chen Chi-tang and allowed it to be bombed by the latter's air bombers. The war had absolutely no justification whatsoever and had its cause solely in the fact that Gen. Chen has a large Army and Admiral Chen had a large number of idle sailors and gunboats. Since as yet no common foe had warred upon them both, they had to make use of their respective forces for their personal aggrandizement and engage in their petty quarrels for territory and revenue.

While the South China military diversion has been concluded ending in Gen. Chen Chi-tang's supremacy in Kwangtung, a fresh war has burst forth in Shantung beween Gen. Han Fu-chu and free-lance Division Commander, Liu Chen-nien. Gen. Han, a former lieutenant of the Christain General Fang Yu-hsiang, is now chairman of the Shantung Provincial Government and is the "owner" of a crack army group of 80,000 strong. Although supreme head of Shantung, however, his actual control does not extend to the entire province. Shantung consists of 107 Districts, one-fifth of which is beyond his jurisdiction with the consequent deprivation of an equal rate of revenues to his administration. Gen. Han has ruled Shantung for the past several years and has won a reputation as a good administrator. But because of his limited jurisdiction in Shantung, an ample cause for a civil war has existed.

Gen. Liu Chen-nien, formerly serving under the late notorious General Chang Tsung-chang, is a turncoat, adventurer and a budding militarist himself. Although in name, a mere Division Commander, he has a fairly large-sized army, much larger than his rank warrants—estimated over 40,000. He has controlled eastern Shantung during the past five years and has been virtually the overlord of his territory, independent of both the Shantung Provincial Authorities and the Nanking Government. He has combined both the military and civil authorities under his sole control and retained the revenues of his districts for his personal expansion. By corrupt administration and excessive taxation, he has built a strong Army of his own and become by now a growingly feared rival of the Shantung Chairman.

From the above decription of these two regional militarists and their respective positions, all the essential factors for a fratricidal war are present and make the present flare-up unavoidable. Each militarist has an army of his own. Each is ambitious for expanding his power and thirsty for territory and revenues to realise his ambitions. However, in addition to these factors, there is a still more important cause which is really responsible for the outbreak. To put it curtly, Gen. Han Fu-chu is fighting for a seaport which has been denied him, despite the fact that Shantung is a maritime province. Because of the curious circumstances of regional militarism, all the seaports along the Shantung coast have been held by Gen. Han's rivals, independent of him both in allegiance and jurisdiction. The chief port of Shantung, Tsingtao, has been under

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the control of Admiral Shang Hung-lieh of the Northeastern Navy, a trusted lieutenant of Gen. Chang Hsueh-liang, while the other ports, Chefoo, Lungkow, etc., are firmly in the hands of Gen. Liu Chen-nien. As a fight for Tsingtao would precipitate a serious war with the Northeastern Navy and may cause immediate serious complications with the Japanese, Gen. Han finds it safer to launch a private expedition against his petty rival, Liu Chen-nien. He has been anxious for an outlet to the sea and is apparently determined to have it at whatever cost in order to maintain direct contact with the outside world and import arms to strengthen his position.

With such a background of regional rivalries, the Shantung war has been precipitated. That China has already lost three frontier provinces to Japan and the whole country faced with a still more grave crisis will not in the least deter the two rival militarists from a clash of arms, as yet their respective little domains have not been actualy invaded by a common alien foe. For the past two weeks, fighting has been in progress, despite the efforts of the Government and appeals of the people for an amicable settlement. Gen. Han Fu-chu has become so bellicose and aggressive that he has personally proceeded to the front, directing operations. He has a superiority in numbers and equipment and is absolutely self-confident of his ability to drive out Gen. Liu by force of arms. On the other hand, Gen. Liu, realising his numercial inferiority, has been steadily falling back, avoiding a serious clash in order to preserve his unit for future use, and is playing politics. He is capitalising the emotional phrases of the national crisis to gain time and throws the responsibility on the Nanking Government for his protection by ordering the suspension of Gen. Han's expedition. According to latest reports, Gen. Liu has been forced to evacuate four districts of his territory, including Chefoo which has not yet fallen into Gen. Han's hands, but General Han is continuing his drive and seems to make serious fighting inevitable, as Gen. Liu is also prepared to put up a determined resistance. Thus, the war will go on and is not likely to cease until the lesser of the two militarists is eliminated and Gen. Han's hunger for more territory and revenue is gratified.

Aside from its disastrous effect upon China's case abroad, nothing indeed can hurt Nanking's prestige more than this outbreak. The Nanking Government is virtually powerless and helpless in face of the disturbance and its repeated stern injunctions to both parties to suspend hostilities and await its decision seems to have fallen on deaf ears. Under the pressure of adverse mass opinion, Gen. Han has announced his obedience to the Government's orders, but in the meantime, fighting is still briskly proceeding. Two rival militarists have gone amuck; apparently no internal force can stop them at that. Perhaps, an aggressive foreign war upon them both is the only and certain panacea to bring them back to their senses! But at what cost and what sacrifice!

Conference on Food Control to be Held at Nanking

In order to effect systematic control of foodstuffs in the provinces of Kiangsu, Chekiang, Kiangsi, Anhwei, Hunan and Hupeh, the Executive Yuan has instructed that a special deputy be despatched from each of these provinces to Nanking for a conference on Oct. 5, when a comparative study of conditions regarding production in the different areas will be made.

It is understood that the Executive Yuan requires data on the quantity of rice production, the present quantity of rice in store, and the living conditions of the rural communities.

R. L. Smythe Goes to Nanking as U.S. Consul

Consul C. D. Meinhardt is to take over the work of Consul Robert Lacy Smythe, in charge of the Land Office at the American Consulate-General here, when the latter leaves for Nanking in about a week. Consul Meinhardt, who came here from America recently, was senior assessor to the Provisional Court in 1927.

Mr. Smythe, has been selected for Nanking because of his intimate knowledge of the Chinese. He was born in Foochow of American parents in 1894. His university training was later obtained at the University of California, from where he graduated in 1917. He came to China as a student interpreter in 1920 and entered the Consular service at Chungking in 1923. He became a Consul at Hankow in 1927. He has been in Shanghai since January, 1930.

Leprosy to Be Discussed at Final Day of Medical Conference

The China Medical Conference opened its sessions in the Herry Lester Institute, Avenue Road, Shanghai September 28 and will countinue until October 6. The final day will be devoted to the Leprosy Conference, held under the auspices of the Chinese Mission to Lepers. The gravity of the leprosy situation in China can be easily sensed by the fact that China has about one-third of the total world's leper population which was estimated recently by Dr. Rogers, the formost modern leprologist, as 3,000,000. The speakers who will appear at the Leprosy Conference include such distinguished visitors as Dr. H. W. Wade, world famous leprologist of Culion, P. I., W. H. P. Anderson, secretary of the International Mission to Lepers; and Dr. Oltman, representative of the American Mission to Lepers in China. A list of the addresses and speakers was published in *The Review* Sept. 24 on page 159.

Dr J. Heng Liu, director of the National Health Administration made the opening address at the Medical Conference. Inspection tours have been arranged through the offices of the Public Health Department of the S. M. C. Places to be visited will be the municipal abattoirs, markets crematorium, sewage works, and branch health offices of the S. M. C. A special excursion has been arranged for Saturday afternoon which will take the members of the conference on a trip to Woosung to inspect the Quarantine Service.

Officers of the various sections are: Medicine, R. T. Shields, chairman, S. T. Wu, secretary;, surgery, L. C. Woo, chairman, J. C. Cracken, secretary; public health, Hou-ki Hu, chairman, F. Oldt, secretary; gynecology, and obstetrics, J. R. B. Branch, chairman, L. C. Wu, secretary; eye, ear, nose and throat, A. M. Dunlap, chairman, W. P. Ling, secretary; physiology, meentings arranged by the Physiological Society; pathology, Wu Lien-teh, chairman, R. C. Robertson, secretary; radiology, S. D. Sturton, chairman, M. H. Chien, secretary; leprosy, James L. Maxwell, chairman, E. S. Tyau, secretary; dermatology and syphilis, F. Reiss, chairman, and F. R. Chen, secretary.

Members of the executive committee of the conference general are: W. S. New, president, H. H. Morris, vice-president, H. P. Chu, secretary, C. E. Lim, editor, Authur W. Woo, vice-president, L. R. Feng treasurer, James L. Maxwell, editor; V. T. Loh, F. W. King, J. L. H. Paterson, and T. K. K. Siao. The committee on resolutions is composed of Wu Lien-teh, chairman, and H. Gordon Thompson and F. C. Yen.

Church Services to Be Held

Special conference church services have been arranged for the morning of Sunday, October 2, in the Holy Trinity Cathedral, at which the Right Reverend Bishop Curtis will preach, and in the evening at the Union Church where a United Free Church service will be held with Reverend H. G. Newsham in the pulpit.

Chinese Banknote Tax Is Reduced

A Nanking telegram states that subject to formal approval by the Legislative Yuan, the rate of the tax on bank-notes will be reduced from two and a half per cent to one and a quarter per cent, (2½% to 1¼%) beginning from next year. The following are some of the salient features of the revised Regulations: All banks of issue shall be liable to pay the prescribed tax on banknotes; banks of issue shall hold a 100 per cent reserve against their note-issue of which 60% per cent shall be in specie and 40 per cent in approved marketable securities; the rate of taxation shall be fixed at one and one quarter per cent. (i.e. 1.25%) on the security reserve. The specie reserve shall be exempt from taxation. The tax on banknotes shall be payable annually at the beginning of each fiscal year.

Overseas Philanthropist to be Honored

Hu Wen-hu, an overseas philanthropist, is to be officially commended by a Government mandate and given an appropriate award for his magnificent gift to the Central Hospital at Nanking. According to a petition submitted by Dr. J. Heng Liu, Director of the Health Administration of the Ministry of Interior to the Executive Yuan Mr. Hu has contributed a sum of $375,000 toward the construction of new buildings for the Hospital.

Finance Minister Explains Manchurian Customs Procedure

T. V. Soong, Minister of Finance, issued the following statement on September 23 explaining the Customs procedure in connection with cargo to and from Manchuria.

"The so-called 'Manchukuo Foreign Minister,' Mr. Hsieh Chieh-shih, announced on September 15, that 'Manchukuo' would henceforth treat China wholly as an alien nation in matters of customs tariff, commerce and navigation, as in all other respects. Beginning on September 25, he added, export and import duties would be imposed on all merchandise between China and 'Manchukuo.'

"In view of the above, the National Government has instructed the Ministry of Finance that since for the time being, the Customs authorities are unable to collect the lawful customs duties at Manchurian ports, the Custom Houses there are to be closed until further notice, and the duties that should have been collected there will be temporarily collected, as far as possible, at all Customs stations south of the Great Wall. Detailed announcements to that effect are being made by the respective Commissioners of Customs at the various ports."

Commenting on this measure, Mr. Soong said: "The National Government has throughout shown the greatest forbearance when the Japanese, in the guise of 'Manchukuo authorities,' commenced to seize the various Custom Houses in Manchuria last spring, and which culminated in the seizure of the Dairen Customs in June. The Government made no move to change the previous practice governing the transit of domestic goods between Manchuria and the rest of China, and duty-paid foreign goods arriving from Manchuria at other Chinese ports have likewise not been subjected to duty at those ports. Although under strong pressure of public opinion, it has refrained from taking any retaliatory measures primarily because Manchuria is Chinese territory and ninety-six per cent of the inhabitants there are Chinese. In consequence, any retaliatory acts against Manchuria would merely bring hardship on the Chinese people themselves. The Government would rather endure temporary loss of customs revenue than to initiate measures herself to sever Manchuria from the rest of China. Another consideration that impelled the Government to adopt a policy of restraint is the fact that the Lytton Commission had been conducting its inquiry, and the Government, despite Japan's provocative acts, has consistently endeavored to follow the injunction of the League of Nations to both China and Japan to refrain from measures sending to aggravate the situation.

"Japan, through the mouth-piece of the so-called 'Manchukuo Minister for Foreign Affairs,' has at last announced that she is severing Manchuria from the rest of China not only politically, but also economically, by building a tariff wall between this area and the rest of China in defiance of all international treaties and pacts, and all economic laws. Japan is thus forcibly cutting adrift thirty millions of their countrymen. Further the announcement of the Japanese Chuichu Ohashi, so-called 'Vice-Minister for Foreign Affairs for Manchukuo' on September 16, that 'Manchukuo does not intend to open the interior of the country for residence, investment or concessions to the nationals of any Powers, except those who grant *de jure* recognition to the 'Manchukuo government,' and whom at the same time, relinquish extraterritorility,' shows that the Open Door in Manchuria is closed not only to all foreign nations except Japan, but even to China herself.

"However, in spite of this unparallelled provocation, the Government, for the time being, is not resorting to any retaliatory measures, but is merely adopting a simple measure to collect such of the Manchurian Customs duties as are possible at Customs stations outside of Manchuria, because the Chinese stake in Manchuria by reason of population and investment is so overwhelmingly greater than that of Japan, and any action that would further increase the difficulties of economic relations between Manchuria and the rest of China would simply mean playing into the hands of the Japanese."

No Remittances of Customs Funds by Manchukuo

Interviewed on the statement issued by the so-called "Manchukuo Foreign Minister" that the policy of "Manchukuo" is to respect the international agreements concluded by China, and that in pursuance of this policy it has remitted to Sir Frederick Maze, Inspector-General of Customs, $1,140,000, as part of the sums due for the payment of the foreign debt out of the Manchurian Customs, adding that Tls 186,003 has also been remitted to the Inspector-General of Customs, T. V. Soong, Minister of Finance, said this statement is typical of the bare-faced chicanery of the puppets and their masters. The sum of $1,140,000 above-mentioned represented revenue collected by the Dairen Custom House and deposited in the Yokohama Specie Bank before the seizure of the Customs there last June. This sum was released in the latter part of July, as was broadcasted two months ago by the Manchukuo Foreign Minister. Likewise, the second sum of Hk. $186,003 represented revenue collected by the Newchwang Customs and deposited in the Yokohama Specie Bank before the seizure of the Customs at that port last spring. These two sums were therefore obligations of the Japanese bank to the Chinese Government contracted prior to the seizure of the Customs in Manchuria, and in no wise could their release be construed as the puppet government paying a share of the foreign obligations of China. Not a single cent of the revenues collected in Manchuria since the seizure of the Custom Houses there has ever been remitted to the Inspector-General of Customs.

Customs Stations Face to Face at Shanhaikwan

The Manchukuo Government established a customs office at Shanhaikuan Sept. 25 at the railway station, and started taxation of goods to and from China proper. Meanwhile the Chinese Government has started a customs office at the same place, and the two customs offices confront each other across the railroad tracks. A proclamation issued by the Tientsin Customs makes import and export duties apply to goods to and from Manchukuo. In order to prevent possible smuggling by fishing or other craft, the customs authorities have chartered additional patrol vessels.

Customs Expert From China Going to Geneva

At the request of the Chinese Delegation to the League of Nations L. K. Little, Commissioner of Customs and Personal Secretary to Sir Frederick Maze, Inspector-General of Customs, has been instructed by the Ministry of Finance to proceed to Geneva to advise the Chinese Delegation on matters arising from the seizure of the Manchurian Customs establishment by Japan. It is understood that Mr. Little is leaving Shanghai at an early date and that the duration of his stay in Geneva will depend upon circumstances.

Japanese Cotton Mills in Shanghai Hard Hit by Manchukuo Customs

T. Funatsu, Director General of the Japan Cotton Mill Owners' Association in China, and Messrs. Tachikawa and Gonno, leaders of the Japanese Cotton Mills in Shanghai, arrived at Dairen on September 23, where they submitted complaints to Mr. Fukumoto, Commissioner of Dairen Customs, regarding the possible serious blow to their interests in Shanghai and other parts of China due to the Manchukuo Customs' independence. Although greatly sympathizing with the cotton mill owners and other industrialists in China in their predicament after the Manchukuo Customs' independence, the authorities of Manchukuo are of opinion it is stated, that it is too late to withdraw their decisions which have already been made public as the instrument of Manchukuo's national policy, considering that it is only natural that the Chinese goods should be treated on the same footing with foreign goods.

Trade Blockade Against Japan Expands

Membership of the Shanghai Federation in Support of the League Covenant, which was started by over 70 local guilds for the purpose of enforcing an economic "blockade" against Japan, has now increased to over 130 guilds in Shanghai and over a score of chambers of commerce in various parts of the country. The latest adherent to the Federation is the Hankow Municipal Chamber of Commerce, which, in a telegram to the Federation, expresses its full endorsement of the aims of the Federation. The Hankow Chamber points out that the League of Nations has been created to safeguard peace and to prevent a recurrence of the calamity of 1914. Its Convenant has therefore served as a bulwark of international peace and tranquility. Japan has however, flouted and destroyed this sacred and inviolable international treaty by unbridled mili ary actions against China. In order to preserve international peace and China's territorial integrity, there is no other course but to unite the people fighting for the support and preservation of the League Covenant, the Chamber states.

Detailed measures for the enforcement of the proposed economic "blockade" against Japan are being drafted by the Planning Committee, which, according to *Kuo Min*, is composed of business and professional leaders of recognized standing.

"On the Manchurian Front"

One of the Review's correspondents on the Manchurian front mailed a news story on July 28, which was held up by the Japanese censor for almost two months, so that it only came to hand September 24. Most of the facts related in same are now out of date but a few paragraphs are given below as a matter of record.

From fragmentary reports reaching here from Manchurian battle fronts it may be gathered that the majority of the Japanese forces operating against the Chinese Old Kirin army are at the present time concentrated in the regions lying east of the Huhai Railway and in the districts of Handaohetse and of Shetaohetse, stations on the eastern line of the C. E. R. Besides this, Japanese units of varying number operate at places north of Tsitsihar. Areas around the Huhai Railway and the Sungari river are garrisoned by Japanese troops. According to rumors there are about 1,000 Japanese troops at and around the town of Manchuli, the western terminus of the C E.R., which is situated close to the Soviet-Manchurian border. Only a few of the troops are said to be quartered at the town itself, a larger number of them being stationed at outposts along the border some destance west of the town.

The Chinese troops under personal command of Gen. Ma Chan-shan occupy several places to the north of Hailun, the northern terminus of the Huhai Railway, and separate units of the army acting against the Japanese Expendi ionary Forces are at various places in Heilungkiang and Kirin Provinces. The important towns on the eastern line of the C.E.R. from Harbin to Mulin are garrisoned by Japanese troops; while the section of the railway east of the latter station to Pogranichnaya, eastern terminus of the C.E.R., remains under the control of the Old Kirin troops.

Dr. Kuangson Young Speaks at I. S. S. Conference in Czechoslovakia

Dr. Kuangson Young, Chinese Consul General in London, made a speech on "Chinese Students, their Record and Responsibility" before the International Student Service Annual Conference which was held from July 25 to August 3 at Brno, Czechoslovakia.

The following is a short summary of Dr. Young's remarks:

The Chinese scholar has always maintained a pre-eminent position in Chinese society. He is ranked first and foremost, above all the other classes, the farmer, the artisan, the merchant. All Government office holders—from a regional Viceroy to a district magistrate, from an admiral in the fleet to a general in the army—had above all else to be a scholar. The Western impact in the 19th century and the Chinese Revolution at the beginning of the 20th century resulted in an unprecedented political, industrial and social upheaval and created general chaos in the country from which China is attempting to emerge. The upheaval has thrown traditions, restraining influences, moral codes of the past, reverence for the old overboard. In the place of order, peace, security and contentment, the present generation has found disorder, war, insecurity, and dissatisfaction.

Over-conscious of his heritage, the Chinese student has during recent years left his proper scholastic, admittedly duller, sphere and entered the more attractive but dangerous arena of politics, believing himself to be the leader of a patriotic crusade for the regeneration of China.

The Chinese Student Movement began in 1919. The waning of influence of the students began with the interference by students with university administration; they drove out presidents, dismissed professors and intimidated their fellow students into joining strikes. Their idea of patriotism, in the eyes of the other Chinese classes, became over-bearing, their actions became mere travesties of their professed good and unassailable intentions. The respect they had earned became fear.

In order to put the Chinese students back into their scholastic harness, first and foremost, there must be a national movement to show them their real duty to the country and to put their idea of patriotism in the true perspective. The Chinese student like China—is going through a difficult transitional period. At its end, he will find himself maintaining that pre-eminent position history and tradition have endowed upon him.

New Railway Station to be Nucleus for Chinese Trading Center

The decision of the Chinese authorities to erect the new main station at Shanghai some considerable distance from its present location, and away from the International Settlement, has considerable political significance, according to reports published by *The Shanghai Times*. By locating the new station in the vicinity of Chenju and building modern wharf accommodation some distance away from the Settlement and connecting with the main station, it is hoped to draw trade from the foreign areas and encourage the expansion of business in surrounding Chinese territory. The dream of a large civic centre for the Greater Shanghai Municipality is also part of the general scheme which had its inception during the term of office of Mayor Chang Chun. The scheme has the full support of the National Government. The question of funds, however, is one of the biggest drawbacks. The scheme for a Greater Shanghai envisioned by the former Mayor of Shanghai, General Chang Chun, embraced a modern civic center in the direction of Kiangwan. Considerable work has already been completed on this scheme and a number of new roads have been completed and others are under construction in this district. The scheme also included the construction of a new wharfage front along the Whangpoo, near the entrance to the Juikiang Creek. It was intended to link the new wharves with a railway line running to the then proposed new station, adjacent to the civic center. Branch lines were to connect Woosung with the new station and wharves. Following the destruction of the North Station it became necessary to hasten the scheme for a main railway depot and it was decided that instead of building this near the civic centre, it would be located near the present site of the Chenju Station. Efforts are to be made to encourage Chinese and others to build outside the foreign areas and to expand in the direction of the civic center of the Municipality of Greater Shanghai. In the spring of last year the Commissioner of the Public Works Department of the Municipality of Greater Shanghai started work on the building of the new premises housing the offices of the Municipality in Shang Fu Road, which is situated between Kyung Kung Road and Kiangwan, between the new roads bounding the International Settlement and the roads encircling the site for the new offices of the Municipality. Through the intervention of the Sino-Japanese hostilities completion of the building was postponed from the end of 1931 to the middle of May next year, by which time construction of the new roads will be completed.

The bund of the new Municipality will be graced by a new wharf near the entrance to the Juikiang Creek. The wharf will be about 1,400 metres in length and will occupy an area of 800 mow of land with its godowns. The entire cost of building the new wharf will be in the neighborhood of $14,000,000 and the work will start as soon as funds are available. The work will take three years before being brought to a completion.

New Chinese Prison to be Built at Hungjao

Owing to prisons in Kiangsu and Chekiang provinces being over-crowded the Ministry of Finance has authorized the construction of a large prison near the Hungjao Aerodrome. The prison department of the Ministry of Finance has already purchased 150 mow of land and the proposed buildings are now being designed. It is understood that the new prison will be large enough to house from seven to eight thousand prisoners.

Communications Minister Resigns Because of Radio Dispute

Gen. Huang Shao-hsiung on Sept. 22 resigned the post of Minister of Communications, which he has been holding concurrently with the portfolio of Minister of the Interior. It is understood that his resignation is linked with the dispute over the contract recently entered into by the Ministry with the Mackay Radio Corporation.

The retiring Communications head told a representative of the *United Press* that the Ministry still was determined to cancel the agreement with the Mackay group, adhering to its original exclusive arrangement with the Radio Corporation of America, which has made a vigorous protest against the alleged breach of its understanding.

Gen. Huang admitted that the radio telephone enterprise provided in the new contracts is highly desirable, but expressed the opinion that it would be inadvisable to float a loan in China at this time in order to raise the required funds.

The Shantung Medley

BY PAUL K. WHANG (汪仲芳)

CHINA is once again in the throes of fratricide, as if she has not suffered enough from the pains of foreign aggressions. Her people have been daily praying for the unification of the country to resist the foreign foe, but many of her military leaders have been persistent in seeking self-aggrandizement irrespective of the welfare of the country.

It is not a little ironical that while Manchuria was given up without any resistance and frontiers in Jehol have been left unfortified and unguarded, 160,000 well-equipped soldiers have been mobilized to participate in war to fight out who is the master of a province. If these fighters were as brave as they would have us believe, why do they not display their courage by marching into Manchuria, where poorly-equipped and ill-fed volunteers have been fighting desperately in their futile endeavor to overthrow the alien rule, and where Gen. Ma Chun-shan and his gallant soldiers, although they are still "wearing summer uniforms and shivering in the biting north wind", have vowed to fight the enemy to death "so as to vindicate the honor of China"?

The present Shantung flare-up is but the culmination of a personal feud between two military leaders, Gen. Han Fu-chu, Chairman of Shantung province, and Gen. Liu Chen-nien, the semi-independent warlord controlling the Chefoo district, So far as their respective official ranks are concerned, Gen. Liu is but a subordinate of Gen. Han. In speaking of their respective military strength, the Chefoo general is no match for the Shantung Chairman, as the latter has 120,000 soldiers against the former's 40,000.

Gen. Han, a former subordinate of Marshal Feng Yu-hsiang, has learned the art of shifting allegiance and the secret to be a popular leader from the famous village-attired general. Through his *coup d'etat* against his master, he has won the favor of the Nanking government and has become the chairman of Shantung province since 1929, although his allegiance has always been a great question mark. His administration in Shantung has won him a great fame, because he has not only alleviated the sufferings of the people by abolishing the illegal taxes imposed by the late bandit-warlord Chang Tsung-chang, but he has also done much to free the province from opium and other evils inherited from the past mal-administrations. Through his good government which is hailed by some observers as the best one in China, he has become a popular leader and a powerful figure in North China.

As his popularity rises, so does his ambition. He has found to his great dissatisfaction that his rule is limited to about 80 hsien out of a total of 107 in Shantung, and that Eastern Shantung, the wealthiest section and the "granary" of the province has remained in the hands of Gen. Liu Chen-nien, a semi-independent warlord, who, though in the position of a subordinate, has acknowledged no authority from him. As no greedy man will be content to see his pie touched by another finger, so it will not take long for an ambitious general to vent his dissatisfaction upon his recalcitrant subordinate.

Liu a Counterpart of Chang Tsung-chang

Gen. Liu, being a follower of the late Gen. Chang Tsung-chang, is a counterpart of that notorious general. He is as unscrupulous and avaricious as his master, and his five years' rule over the Chefoo district has been featured with extortions and evils. Being a commander of 40,000 soldiers, he has managed to keep his position intact since the downfall of his master, and amassed a great fortune at the expense of the people. Nominally he has pledged his allegiance to the Nanking government at the price of $100,000 a month, but in reality he has constituted himself a "king." His "kingly" attitude has aroused the ire of the Shantung Chairman, hence the present conflict.

Thus the real cause of the Shantung war is a premeditated plan on the part of Gen. Han to extend his influence to Eastern Shantung. To justify his military action, he has charged Gen. Liu with seizing national revenue and resorting to the methods of a kidnapper to extort money from the wealthy people. The first clash occurred on the night of Sept. 16, and both sides are now preparing for a big and decisive battle Gen. Han is said to be "determined to remove the monster in order to save the people", while Gen. Liu, in defending his position, is willing to "resist to the last man."

The big clash is imminent, and the orders of the central government and the appeals of the people seem to be of no avail to avert it. We are especially disappointed to see a popular leader such as Gen. Han, who, having achieved a good name in the past, proving so unpatriotic as to precipitate China into a civil war at the time when her very existence is endangered by foreign aggressions. No matter how reasonable and sound his charges are, he, being the aggressor, must bear all the responsibility of the evil consequences resulting from his unwarranted and high-handed action.

Though the "monster" is as bad as he really is, Gen. Han can not take law into his hands by totally ignoring the central government. If he has still entertained some respect toward the central government, he should submit to it for judgment and should not launch his own private expedition. By so doing, he has followed the manner of a feudal warlord of the worst type, and is no longer worthy to be a popular leader.

If he really intends to render a service to the people, he should march into Manchuria to remove a "big monster" there. The people in the Chefoo district, though unfortunately living under the mal-administration of a self-centered general, are not as unhappy as those under the alien rule. The Chefoo people are not begging for assistance, while our Manchurian brethern are daily crying for deliverance. Unless he has not ears with him, he must hear the piercing cries from the Three Eastern provinces.

For five years, Gen. Liu has ruled over the Chefoo district, but we have not heard of any complaint from Gen. Han. Then why should he launch a private expedition at a time when the national crisis is at its acute stage? If he "is not definitely playing the Japanese game," he "could not have presented Tokyo with a better opportunity," as commented by the *Manchester Guardian* upon the outbreak of Shantung hostilities. Moreover, if Gen. Liu, because of his seizure of national revenue and extortions, should be driven out from his office how about Marshal Chang Hsueh-liang and many others who are guilty of the same charge?

The Japanese have not yet forgotton Shantung since they were forced to give it back to China at the Washington Conference in 1922. The Japanese have more than once on one pretext or another sent their soldiers to the interior of that province. In view of the numerous Japanese residents there, any disturbance will easily invite complications and give the Japanese militarists and imperialists an excuse to send a large number of soldiers to the strategic cities of that province. Moveover, the recrudescence of civil war at this particular time will give the Japanese good food for propaganda to discredit China before the world.

Chang Hsueh-liang's Attitude

It is of interest to watch Marshal Chang Hsueh-liang's attitude toward the present complication. First it was reported that Gen. Liu radioed to the Young Marshal asking the immediate dispatch of reinforcements "as previously agreed." Later it was reported that Marshal Chang, in a telegram to Gen. Han, promised to place all his air and naval forces at the disposal of Gen. Han in opposition to Gen. Liu. Can it be true that the Young Marshal has already forgotten his humiliations and is ready to participate in a civil war when his "domain" is still under the heels of an alien force? Why does he not use his air and naval forces for a worthy purpose?

We have no mind whatsoever to defend Gen. Liu, whose mal-administration is too flagrant to be ignored, but we strongly condemn all the aggressive measures on the part of any general who tends to place personal interest above the national welfare. Is it not most deplorable that at the time of crisis many of our military leaders do not sink their personal prejudice and check their ambition and present a semblance of united front against a common enemy? When the Special League Assembly convenes, how can we expect our diplomats to fight our battles, when we are fighting between ourselves at home?

At this eleventh hour, the hope of peace has not yet been totally abandoned. The central government has dispatched General Chiang Po-cheng to investigate the situation on the spot in an earnest endeavor to patch up the differences of these disputants. The Anti-Civil-War Association has invited Dr. Chang Po-ling to go to Shantung to meditate the dispute, and has also telegraphed to the Chinese Chamber of Commerce and Bankers' Association in Tsinan enlisting their cooperation to stop the war in Shantung. Every ounce of weight has been lent to the peaceful settlement of the Shantung complication. It is fervently hoped that these peace missions will be successful in their efforts to bring the fighting generals to their senses. The sooner they are made to lay down their arms, the better for China's prestige abroad.

Shanghai, September 26, 1932.

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The God-Emperor; Japan's State Religion

BY HARRY PAXTON HOWARD

IMAGINE, if you can, Signor Mussolini, coming to the conclusion that the secular organization of his dictatorship was insufficient to secure its permanence, and turning to religion as a method of controlling the mass mind. Imagine that under such circumstances, he decided to make the Italian king the center of the national worship, and Italy a divinely created land unique and sublime. Were he to take the Christian religion as the basis for this new creed, imagine his declaring Italy to have been the original Garden of Eden, the Italian king (retitled Emperor) a living incarnation of God and the direct descendant of Jehovah through 286 generations, and Italian chronology beginning in the year 4004 B.C. and carrying on without a break to the present day.

Such a supposition may seem absurd, and were Mussolini to suddenly embark upon such a course it would unquestionably be widely regarded as a sure sign of madness, recognizable even to some of his Fascist followers. And yet, were such a worship to be introduced, and taught as civics, history, and religion in the schools throughout Italy, tens of millions of the next generations of Italians would believe in it as completely as they now believe in the Immaculate Conception. For there is no absurdity which the human mind can conceive which it cannot also believe, especially if the idea is fed to the mind in its young and formative years.

Inventing a Religion

It is with this as a general analogy that one can understand the creation of a new religion—Emperor-worship, linked up with native paganism—in Japan in the past two generations. The Japanese, at the dawn of history, were, like other primitive peoples, worshipers of various objects or forces of nature,—sun, moon, storm, trees, mountains, rocks, etc. With the introduction of Chinese civilization, however, came Buddhism, which did not so much destroy as absorb the simple paganism of the people. It was Buddhism which in the heyday of Japanese feudalism played a notable role in the struggle for temporal power, the Buddhist temples and monasteries, with tens of thousands of armed monks, dominating important areas of the country and being very powerful in the vicinity of the old capital at Kyoto. There were always, however, innumerable small shrines, and a varying number of larger ones, essentially pagan. Japanese paganism, with its thousands of greater and lesser deities, evidently had no general name prior to the introduction of Chinese culture. The name by which it later came to be known—Shinto—is formed from two Chinese words, of which the modern mandarin pronunciation would be Shen-tao, meaning, simply, the Way of the Gods.

There is an excellent summary of Shintoism in the "Encyclopedia Britannica," which tells us that

> "In Shinto, as a lower nature religion, we find nature worship, fetishism, spiritism, totemism, and primitive monotheism....Individual personages are also worshipped as *Kami* or deities in their lifetime, as well as after their death."

Such gods included the Emperor and some others—"brave warriors or mighty heroes"—as "deities in human form." The "Britannica" continues:

> "The sacred Imperial regalia (or heirolooms) consisting of the mirror, sword, and jewels, had originally a fetishistic virtue....The father of the Emperor Jimmu was traditionally recorded to have sprung from the crocodile or dragon sea-goddess Toyotoma-Hime."

The Revival of Shinto

At the time of the Restoration in Japan, sixty-five years ago, Shinto, though inferior to Buddhism as a popular religion, was of much use to the feudal lords, who re-established the Imperial sovereignty through which they exercised power, as an important instrument for strengthening and consolidating this power. Later, when there appeared to be danger of Japan becoming genuinely Westernized, the rulers took alarm, and towards the close of the century there was far more serious concentration on this Shinto teaching, revised, expanded, and enforced on the population by the bureaucracy. The Japanese Emperor, it now appeared, was the direct descendant of the gods, Japan a specially and divinely created land, and the Japanese a race of gods and men. These ideas were worked out, brought together, and incorporated into the new national education as its center and core. A feudal people, the great mass of whom know absolutely nothing outside their own feudal principality, and most of whom had never even heard of the Emperor, had to be taught a national consciousness and a spirit of obedience and worship to the all-powerful sovereign. For this purpose a new religion was invented, with Shinto as a basis. A generation of teaching under the control of the all-powerful bureaucracy made it the creed of the mass of the Japanese people.

The doctrine of Divine Right is of course not peculiar to the Japanese Throne. In the West the claim of monarchs to exercise sovereignty by divine authority has been equally vital at times. The real uniqueness of the Japanese claim is that it reached its highest point only in the last generation, at a time when the rest of the world had moved and was moving away from the doctrine of imperial absolutism resting upon divine sanction. And there is more than this. The Japanese Emperor is not merely a man claiming divine authority. He is himself a god. And though there have in the past been God-Emperors in the West, Alexander of Macedon being one fo the most distinguished, they have rather gone out of fashion in recent centuries. In the Occident the God-Emperor is a couple of thousand years behind the times.

The Divine Ruler

The "Britannica" article already quoted well sets forth the position of the sovereign of Japan today:

> "The present Emperor,....like his predecessors, enjoys a divine right to the throne, representing in himself both Caesar and Pope—as a divinity in humanity. Even nowadays, in the hierarchy of his theocratic as well as constitutional government, he is often phrased saisei-itchi, or the complete unity of political governance and religious observances. Thus Shinto as a national or state religion culminates in the form of Emperor-worship."

It is interesting to note the recent development of this State religion. It was only in 1875 that Shinto was officially separated from Buddhism, and the creation of an official Shinto "church" began. After a quarter of a century's development the Shinto cult was put under the Department of Home Affairs. In the meantime, and since, many new shrines were built by the government, to Emperors and Empresses, Princes, Loyal Subjects, and the various Nature Gods which are the main link between the new religion and the old popular paganism. In 1928 there were 197 shrines "forming part of the regular mechanism of State, being maintained at the expense of the Treasury" (Japan Year Book, 1931), in addition to the tens of thousands of lesser shrines scattered through the country and supported locally, though bound up with the general "church" organization and forming "an essential part of the general system of statecraft."

Education

It is the system of universal education established by the post-Restoration government which is the most important agency of Shintoism, which—as the Japan Year Book points out—is also called by some Mikadoism. In the Japanese "History for Middle Schools" it is taught as a historic fact that the present Emperor is the 123rd descendant of Jimmu Tenno, first Emperor of Japan (already referred to), who was the great-great-great-grandson of the Sun Goddess, Amaterasu-o-mi-kami, in the direct line. In the first chapter of the same history the student finds:

> "OUR NATIONAL CONSTITUTION.—Our Empire of Great Japan, with an Imperial Line from above unbroken from time immemorial and with its subjects below matchless in loyalty and patriotism, from ancient times down to the present has never once received a foreign insult. Such a national character is without parallel throughout the world."

Here, it is clear, Emperor-worship is blended with Japan-worship. The situation was well summed up by Basil Hall Chamberlain, the one foreigner to ever hold the post of Emeritus Professor of Japanese at the Tokyo Imperial University, in his "Invention of a New Religion,"* as follows:

> "The governing class....insisted on the Shinto doctrine that the Mikado descends in direct succession

* *The Invention of a New Religion.* By B. H. Chamberlain. Watts & Co., London.

from the native Goddess of the Sun, and that he himself is a living God on earth who justly claims the absolute fealty of his subjects. Such things as laws and constitutions are but free gifts on His part, not in any sense popular rights. Of course the ministers and officials, high and low, who carry on His government, are to be regarded not as public servants, but rather as executants of supreme—one might say supernatural—authority....The attendance of officials at certain Shinto services was required, and the practice was established in all schools of bowing down several times yearly before the Emperor's picture....History is so taught to the young as to focus everything upon Imperialism, and to diminish as far as possible the contrast between ancient and modern conditions."

The Invention of Bushido

Mikadoism was supplemented, in the course of time, by a further invention, the very name of which was new, —Bushido. This word, supposed to be the name of a code of high-minded chivalry characteristic of Japan's samurai, was in fact unknown until the present century, and appears to have been an invention of the ingenious Mr. Nitobe. Chamberlain, an unquestioned authority, states that "the very word appears in no dictionary, native or foreign, before the year 1900....Bushido, as an institution or a code of rules, has never existed. The accounts given of it have been fabricated out of whole cloth, chiefly for foreign consumption." It is most striking that, as Chamberlain also points out, none of the earlier students of Japan—Kaempfer, Siebold, Satow, or Rein—ever alluded to it in any way.

There was, indeed (though Chamberlain does not mention it), one chivalrous body with a chivalrous code in old Japan,—the *otokodate* of Yedo. This body of men, sworn to protect the poor and weak against violence and injustice, and to maintain the deepest comradeship and loyalty among themselves, was however organized *against* the *Bushi* (samurai). It was formed for the protection of the commoners of Yedo against the cruelty and savagery of the military class, and it was successful.

Extension of Shinto

Before turning from the development of official Shintoism, however, it is interesting to note how new powers were given its priests to enable them to penetrate into the lives of the people. The right of burial, for example (which they had never previously possessed) was granted them. The right of marriage, which (as in China) had always been a civil—or rather a family—matter, was also granted. Both of these are important extensions of Shinto functions,—the first at the direct expense of Buddhism.

The Great Shrine of Ise calls for special mention. This is the Great Shrine of the Imperial House, where repose the sacred Imperial relics;—the mirror, sword, and jewels referred to in the "Britannica." Its priests are under the Civil Service, and bear the title of Shinto officers. It stands in a class by itself, above all other shrines in the country.

How some avowed Japanese Christians look upon Shinto is shown by a statement by the Rev. Ebina, a Japanese Protestant leader, many years ago:

> "Though the encouragement of ancestor-worship cannot be regarded as part of the essential teaching of Christianity, it (Christianity) is not opposed to the notion that, when the Japanese Empire was founded, its early rulers were in communication with the Great Spirit that rules the universe. Christians, according to this theory, without doing violence to their creed, may acknowledge that the Japanese nation has a divine origin. It is only when we realize that the Imperial Ancestors were in close communion with God (or the Gods) that we understand how sacred is the country in which we live."

And some Chinese Christians have appealed to "Japanese Christians" in the name of Christian fellowship and human brotherhood!

Official Ideals

An excellent example of the sort of literature produced on the basis of the new creed is the "Nippon Shindo Ron," or "The National Ideals of the Japanese People," by Yutaka Hibino of Tokyo Imperial University.* This book, now translated into English by A. P. McKenzie, is intended to instruct youths between the ages of twelve and eighteen in the national ideals. Mr. Hibino starts off with a bang, making clear in his preface (to the third edition) his striking discoveries in Japanese history:

> "The chronicles of the past show how our national life is derived from the august condescension of those Sons of Heaven who became our Rulers. The glorious and unique relation of the subject to his Lord has existed unchanged from the earliest times."

Nevertheless, there are dangers, for instance from the fact that "most of those who attempt to teach cherish the vain hope that we Japanese can successfully undertake to live in accordance with some foreign system of ethics....even 'universal' ethics. This arises from the idea of the solidarity of the race. We can, unhappily, see only too clearly on all sides the effect of these ill-considered and confused ideas. This situation should not be allowed to continue for a single day....We have our own peculiar system of ethics." (In which last statement there are many who will agree with Mr. Hibino.)

What is this "peculiar system of ethics," this true way of the Japanese subject?

And this, briefly, means "the unchanging reverential service of the Imperial Line." It appears that "generation after generation of loyal vassals has lived with but a single thought, to guard and serve that Throne."

Sublime Japan

> "Heaven has vouchsafed to us a sacred and immutable Imperial Line. How can the theories and national ideals of foreign countries, whose histories are an unending record of political and social vicissitudes, alternate mutual conquests, and the rise and fall of dynasties, be applied to this Empire whose development and history are utterly unique? The greatness of other nations is as ephemeral as the beauty of the morning glory. Their destinies differ from our own....Our country is....endowed with a sacred, immutable, and unbroken Line of Emperors, a glorious Succession of Rulers which has existed since time immemorial and which will endure coeval with heaven and earth....Innocent of revolution or revolt the Empire has steadily advanced along the path of its development, nor has it ever turned aside....Our sacred Empire stands aloft above all the world in unique and unparalleled sublimity."

Mr. Hibino's interpretation of Japanese history, it may be noted, differs in many respects from some other histories. Nevertheless, his is an account such as is taught in the schools. Let us, therefore, turn to official history itself, as quoted by our author:

> "According to our historical records:
>
> 'Before the creation and differentiation of heaven and earth, when all was yet like the mingled elements of an egg, the molten mass contained a germ by whose activity the light elements arose and became heaven, while the murky elements congealed and became earth. Thereupon was born the divine being Kami-toko-tachi-no-mikoto or Ame-no-minakanushi-no-mikoto, who was the first divinity of creation'."

Thus, remarks our respected author, "our Empire had its source in these primeval and most ancient times. Thus in the prehistoric age our Empire was already founded. In that distant antiquity the Imperial design was completely established. We who are subjects of this land are not alone in recalling this fact with reverent awe. The peoples of other nations regard it with envy."

Founding the Race of of Gods and Men

Moscow's "Five-Year Plans" are left completely in the shade. "It is difficult enough to plan for a future of ten years. That our Imperial Ancestors should have established an Empire a myriad ages since, planning well a design coeval with heaven and earth, that they should have succeeded in setting up an imperishable Dynasty, that they should have founded this sacred Empire, which will endure as long as the sun and the moon, that they were able fully to conceive and carry out such an enterprise, argues the possession of a sacred wisdom far beyond our feeble comprehension....There exist nowhere else in the wide world beings who can compare with our Imperial Ancestors, who accomplished the sacred task of establishing this imperishable Dynasty."

The object of this tremendous task was made clear by the Emperor Suijin, who (several centuries before

Nippon Shindo Ron, or The National Ideals of the Japanese People. By Yutaka Hibino, Ll.B. Translated with an Introduction by A. P. McKenzie, M.C., M.A. Cambridge University Press. 1928.

the Japanese learned from China how to read and write) issued the following proclamation:

"Our Imperial Ancestors condescended to take upon themselves the Imperial Office, not for their own glory but rather for the purpose of nurturing and governing a race of gods and men."

It is unfortunate that we cannot have a quotation from the present Emperor to tell us whether he is satisfied with the results achieved. But to further elucidate:

"In the remotest antiquity our Toyo-Ashi-Hara Land was united and the ever unalterable Imperial Destiny was set forth and firmly established, at the very foundation of the state. From the eastern provinces to the confines of the west all his subjects are for ever refreshed and sustained in the sea of the Emperor's authority, and never withhold their praises of his benevolent government."

Contrast to the West

Note how sadly the West compares with this: "Consider well the causes which have on the one hand led to the success and prosperity of nations and on the other brought about their downfall and destruction. It almost seems from the many examples that are available that heaven has decreed that no nation or society shall escape the fate of periods of greatness and prosperity followed by downfall and decay....What a sad and wretched fate! Among all these nations of the earth what people is there that is possessed of a uniquely different history? What nation stands aloft and superior to all the rest of the world fulfilling its destiny with calm dignity upon the shores of the Pacific? How proudly we reply, the Empire of Japan!"

The insatiable greed of other nations causes unending misery. "The nostrils of those who review human history are assailed by the polluted winds which sweep from piled-up corpses. They are forced to hold their noses in the presence of the awful stench of human deeds. This is the common experience of those who review the history of human affairs. In the midst of this abominable desolation the Imperial dignity shines in brilliant and unalterable effulgence. The unbroken succession of our Dynasty has ever shown with the unchanging radiance of the son and moon.

"Man devours man, family struggles with family, and dynasty contends with dynasty. One nation endeavors to wrest its possessions from another nation ....With such floods of evil in the world where can we find a nation which does not require to cleanse its crown and its robes from evil filth? Though the world is wide and nations numerous, such a state cannot be found unless we seek it in the east. That nation is none other than our glorious Empire of Japan, which stands aloft in lonely grandeur like the white summit of Fuji....

"Led ever forward by the good powers of heaven and earth, she has never lost territory to a foreign conqueror, nor has any subject ever been made prisoner by an alien power....Should worm-like foreign reptiles dare to insult the dignity of the Emperor or to pollute his virtuous name the spirit of heaven and earth cannot refrain from meting out punishment, nor can his subjects withhold their indignant ire."

Absolutism

While, for foreign consumption, Japan is commonly represented as possessing a parliamentary regime, there is no such pretence here, in this book written for young Japanese:

"The government of our Empire is Imperial in form. The august prerogatives of government in this land repose in the person of a unique and sacred Emperor who rules enthroned above. Below, a whole nation looks up to him with reverent awe, and serving him fears nothing so much as some dereliction in that service....

"The Sacred Emperor above holds in his hand all the powers of government. Below him the whole nation of loyal subjects obeys his Imperial Will....The authority of government which from ancient times has resided in the person of the Emperor can never be limited by any constitution....When we recall the fact that the authorities and powers of our Emperor are ever unlimited and boundless there is no longer any room for confusion upon this point."

Mr. Hibino's affirmation of this, however, is rather less emphatic than some other writers make it. Dr. Uesugi, for example, writes:

"The absolute authority of the Emperor constitutes the basis of our national system. It is the foundation on which the nation stands. If there were no Emperor, there would be no nation. Without him there would be no subjects and our territory would cease to exist ....He is God of Light; he is manifestly God. Authority is vested in a single person. His authority is unique. He is the absolute ruler determined by the Divine Ancestor."

And the Shinto College at Tokyo, in its "Lectures on the National Constitution," sets forth:

"The rights of sovereignty in the State are wholly vested in the Emperor....absolute and complete sovereign....The Imperial Throne from the very foundation of the State has been occupied throughout successive generations by the offspring of the Heavenly Ancestor (Amaterasu-o-mi-kami)."

"Commands of the Emperor"

Under such circumstances the laws of the country are, in Mr. Hibino's phrase, "commands of the Emperor." These laws "govern all aspects of our conduct," and "we should derive every detail of conduct from them, even to the slightest lifting of the hand or the moving of the foot."

And the absolutism of the Emperor furnishes a glorious example for husbands:

"As in the heavens the sun is not double, so on earth there exists but one Emperor. Two contending rulers are the certain source of national downfall.... The commands of husbands and the obedience of wives are good customs not transitory in nature. They are the fundamental principles by which true Japanese homes are established, and the Emperor fitly served.... The stern righteousness of the husband and the true obedience of the wife uniting in mutual government of the home are modelled upon the great design of heaven and earth.

"Masculine talent is manifested in efficiency, courage, and determination. Feminine gifts are revealed in humility, endurance, and submission....That the husband should command and the wife submit, thus establishing the wholesome home and forming the healthy constituents of the nation, is the true teaching."

Repetition and Contradiction

For a time all this is very entertaining, but the continued repetition of it in different forms, under different sub-headings (such as Benevolence, Education, Connubial Accord, Patriotism, etc.) before long wearies the reader. (Pity the poor Japanese school-kids.) Furthermore, contradictions are as common as repetitions:

"Here ruler has always been ruler and subject subject. No subject has ever aspired to be a ruler." (This appears on Page 19, but on Pages 26 and 27 the story is told of the priest Dokyo, who aspired to be Emperor. If this story is true the previous assertion is false.)

"Our people have ever regarded the Emperor as Emperor....They have never ventured even in dreams to regard their Emperor as a common or vulgar mortal." (Page 19.) Which seems slightly inconsistent with "the fact that during the Genki Era the Imperial palaces were in a tumble-down condition and that urchins entering by the broken walls disported themselves in the palace precincts, digging up the gardens in their play." (Page 63.)

"In the history of our Empire there has never appeared a single usurper, a rebel or a calumniator of the throne." (Page 72.) But on pages 25, 62, 70 and elsewhere Hibino refers to certain historic "rebels," and even quotes with the greatest approval Masaue's declaration that "Though born into the world as human beings seven times we shall never cease from killing rebels," which can only mean that the rebel stock is inexhaustible.

Similarly, "should one examine the innermost recesses of our being he would find neither personal ambition nor evil thought." (Page 26.) But on Page 132, speaking of the Japanese people, Hibino says that "Those who would pursue personal profit and advantage lie in wait on every hand like hungry tigers in ambush."

Liberty, Treaties, Etc.

"Questions of liberty, natural rights, and other similar theories continually exercise the minds of men. As a result there may even appear those who would rise in armed revolt against their rulers. There may appear men who hold the laws in disdain and who indulge in rioting. Examples are not wanting in the records of foreign nations. Indeed, they exist in a state of constant turmoil occasioned by chaotic subver-

sions of government. Our Empire stands aloft and superior to all such tendencies....

"The establishment of all these foreign countries and the founding of their successive dynasties was brought about by war and bloodshed. As for us, subjects of this Imperial state, the simple honesty of our hearts accords well with the natural beauties of our landscape. It is obvious that this Empire of Japan adorned by these kindred beauties offers a striking contrast to all other countries....

"No matter what the intrigues that mar the policies of foreign nations, we Japanese observe our treaties abroad...." (Hear, hear!)

"Through obedience to the Emperor we are able to enjoy the manifold privileges of this Empire in safety and to pursue our occupations in the midst of an earthly paradise."

Not unnaturally, the authorities have their hands full with the swarm of immigrants from the West who wish to take this short cut to paradise:

"Even among the distant peoples of the two hem ispheres we are a perpetual envy on account of the superior virtues of our Emperor. Black and white alike throng to our shores not merely on account of our progress in civilization and culture, but because they would reside under the gracious protection and paternal grace of our Imperial Ruler."

(The total "black and white" foreign population of Japan in 1928 was not quite 9,000, according to the Japan Year Book.)

The Matter of Belief

The question as to how much of this stuff is actually believed by the Japanese is a question which will be answered by different persons in different ways. The direct descent of the Japanese Emperor from the Sun-Goddess, the special creation of Japan and the Japanese people, the divine and unique nature of the Dynasty, the country, and the population, are things so utterly incompatible with scientific knowledge that it might be said that no educated and intelligent Japanese can possibly believe in these things, especially as his knowledge of Japanese history tells him that the Emperor has rarely exercised real temporal power, and he must further know that the whole imposing system of official Shinto is a deliberate creation of the past half-century.

On the other hand, we may remember today, nearly a century after Darwin, how many tens millions of educated men and women in the West avow their belief in the seven-day creation of the world, and of man and woman, in the year 4004 B.C., also in the Immaculate Conception, and in many other things quite incompatible with the teachings of science, not to mention history.

Shinto Bound Up with State

There is no doubt that there are in Japan many heretics and unbelievers in Shinto. The situation is, however, that owing to the union of Church and State the individual who rejects Shinto is rejecting the divine authority on which Imperial absolutism rests, and becomes a proper subject for police investigation. It is probably not far from the truth, however, if we say that the general skepticism and materialism of the Japanese (like the Chinese) mind, influenced in large part by Confucianism, is an antidote to any very deep religious belief, and that the wider knowledge of the world, of science, and of Japanese history possessed by the more educated elements also works against any intellectual acceptance of the Shinto dogmas, though the conservative elements among them may profess belief as a matter of patriotic obligation. As Chamberlain truly remarks in the booklet previously referred to:

"People can always believe that which it is greatly to their interest to believe....It is enormously important to the Japanese ruling class that the mental attitude sketched above should become universal among their countrymen. Accordingly, they achieve the apparently impossible. 'We believe in it,' said one of them to us recently—'we believe in it, although we know that it is not true'."

And the importance of this union of Church and State is evident when we consider that, in Hibino's words:

"In our Empire the Emperor is the State. The Emperor is one substance with the State and shares its destiny. All service on behalf of the nation is service to the Emperor himself. Without the Emperor there could be no State. Reverence toward the Throne and patriotism in respect to the State have the same object and goal."

Sir Robert Ho Tung Is Honored in Germany

Sir Robert Hotung, the well-known Hongkong millionaire, is at present on a visit to Germany, where he has been having meetings with many industrialists and institutions interested in business between Germany and China. On Septemcer 22, he was given a luncheon at the Foreign Office attended amongst others by President Hindenburg, who conferred upon Sir Robert the First Class Red Cross Medal in recognition of his "meritorious achievements for the welfare of charity and science in China."

Sir Robert Ho Tung on the Gangway of the "Graf Zeppelin" with Dr. Eckner on his right and another officer of the Zeppelin on his left.

Robert Ho Tung during last Summer was in France, where he was like very favorably received by officials of the French Foreign Office. The French Government conferred on him the insignia of an Officer of the Legion of Honor. Sir Robert had long conversations with M. Herriot and other high French officials. On the day of his departure from Paris end of July M. Herriot sent to Lady Ho Tung a beautiful basket of roses, orchids and ferns.

Round-the-World German Flyers Feted in Shanghai

Captain Wolfgang von Gronau with his crew arrived in Shanghai September 24 in his Dormer-Wahl seaplane. The trip from Kagoshima, Japan, was made in five hours. A reception to the flyers was held at the German Garden Club and Consul General von Collenberg entertained them at a tiffin at the German Consu ate. Representatives of the Chinese Ministry of Communications were among those who welcomed Captain Wolfgang. F. Reiber, German business man, made the address of welcome.

Captain Wolfgang continued his journey round the world the following morning headed for Hongkong where he arrived September 25 about 4 p.m. and where he was given an enthusiastic reception by the German community, headed by Consul General Drunohano.

Bandits Make Huge Demands for Release of British Captives

Recent heavy rains have increased the hardships of Muriel Pawley and Mr. Corkran, the British subjects in bandit hands some 30 miles from Newchwang, and have hampered the efforts that are being put forth to secure their release, by delaying the return of the intermediary who had been sent from the British consulate to the bandits' lair to arrange for their release.

The bandits have increased their demands, asking for 100 rifles, 30,000 rounds ammunition, 120 pistols, 100 gold rings, 30 gold watches and some silk cloth, to be delivered to them in addition to their previous demands. The Asiatic Petroleum Company, is asked to supply 500,000 rounds of ammunition, to be delivered within two weeks. The bandits threaten to cut the ears off their victims if their demands are not promptly met.

Jehol s Golden Pavilion Goes to Chicago Exposition

BY SVEN HEDIN

(*New York Times Magazine*)

One of the striking buildings at the forthcoming Chicago Exposition will be the Golden Pavilion, a faithful reproduction of the Holy Lama temple built by the Chinese Emperor, Ch'ien-lung, at Jehol. The structure, composed of thousands of parts fashioned in China, was taken to Chicago through the efforts of the Swedish explorer, Sven Hedin, who gives here the story of this masterpiece of Chinese architecture.

IN the year 1703 the great Manchu Emperor, K'ang-hsi, erected his first country seat near the little town of Jehol, in the land of the Harchin Mongols, outside the Great Wall. Thus he laid the foundation to the famous Summer Palace, China's Fontainebleau. The Summer Palace reached its highest renown during the sixty years when his grandson, Emperor Ch'ien-lung, sat on the Dragon Throne and from it ruled, during the Summer months, the immense reaches of Eastern and Central Asia, which were called the Middle Kingdom.

Within the walls of the Summer Palace these two great Emperors created a world of beauty and riches, unlike anything in the world. Nestled in woods and verdant parks, where does grazed, were handsome palaces, pavilions and temples, reflecting their facades in ponds and little lakes, into which emptied crystal-clear waterfalls from the surrounding hills. Here were festivals; here were held military manoeuvres; and hence started each year the Emperor's Autumn hunt to the region north of Jehol, where the tiger prowled through the jungles.

A Masterpiece of Chinese Centuries for Chicago—The Golden Temple of Jehol.

In ancient times the Mongols were China's most dangerous enemies. As a defense against them, as well as against the Huns and other savage hordes, Chinese Emperors, more than 2,000 years ago, had erected the Great Wall. When, therefore, K'ang-hsi founded the Summer residence at Jehol on Mongolian territory it was not only to satisfy an imperial whim. He desired, rather, to increase the majesty and strength of his office so as to impress the Mongols and their rulers and thus hold them in check without having to resort to stern measures.

This idea was further developed by his grandson, Ch'ien-lung. He did not limit himself to adding to the buildings already erected by his grandfather—thirty-six palaces, pagodas, pavilions, libraries, harems and galleries. He also built, in a semi-circle to the north and east of the Summer Palace, a series of magnificent Lama temples, some of which belong to the grandest and architectually most perfect structures ever created in the Middle Kingdom.

These temples, like the Summer Palace, had a certain political mission to fulfill. Emperor Ch'ien-lung desired to display religious pomp and glamour greater by far than had ever been seen by the Wangs and Khans of Mongolia; he wished to impress them, stir their admiration and at the same time appear as the true confessor and protector of the Lama faith. Also, in this religious pomp and majesty the Emperor found a means by which he could bind the Mongol rulers with the golden chains of their faith to the Son of Heaven and the Dragon Throne.

Few excursions from Peiping are more profitable than a visit to the temples around Jehol, some 115 miles to the north-east. Here, surrounded by undulating hills and mountains, lies the little town close by the Jehol River, which, north of the Summer Palace, receives from the west a tributary, the Lion River. Usually dry, its bed is crossed by a marble bridge, and on the northern shore, in this marvelous wreath of temples, one is first attracted by the one commonly known as Potala. It is so called because Ch'ien-lung, who erected it, claimed his new creation to be a copy of the Dalai Lama's temple palace, Potala, in Lhasa. Its correct name, however, is P'u-t'o-tsung-cheng-miao, or "The Temple of Puto's Teaching." The monasteries and temples of Potala are surrounded by a rectangular stone wall. In its park of pine trees lie some thirty buildings, nearly all of Tibetan design—dormitories, school rooms, quarters for pilgrims, kitchens, storehouses, &c.

From the Lion Valley one proceeds through the eastern gate and passes under a triumphal arch to a yard where two beautifully sculptured stone elephants, natural size, guard the entrance to a pavilion, also of stone. In this building are three gigantic vertical slabs, or memorial tablets, on whose highly polished surfaces Emperor Ch'ien-lung's charter of foundation, composed by himself, has been cut in four different languages—Manchu, Chinese, Mongol and Tibetan.

From the pavilion containing the tablets one walks on flags of slate between the trees in the park and passes another triumphal arch of green, yellow and red faience—a veritable pearl of architectural elegance. One sees on either side imposing cloisters, and at last stands on the eastern base of the enormous terrace, created both by nature and human hand, which supports the magnificent facade of the main monastery building, a square, immense structure of stone and brick.

The tremendous facade is adorned with Tibetan windows, eleven stories high, and with numerous faience niches bearing images of Buddha. One is overwhelmed and bewildered by this stupendous man-made wonder. When the visitor becomes somewhat used to its grandeur he mounts the 162 steps which lead to the upper terraces and at last stands on the topmost.

Far below a wind stirs in the pine branches, and between the trees in the park the ancient monasteries glow dully in yellow, gray and red. In the distance runs the Lion Valley; on its southern slope is the wall of the Summer Palace.

The large stone quadrangle is but a shell around a square yard, bacause only its three highest stories were once connected with wooden dormitories and temple rooms, located within its walls, and now destroyed by time and for the most part obliterated. With a certain excitement one walks through the gate of the yard, because in this square he will behold the temple which bears the name of the Golden Pavilion, the most holy in Potala.

It is difficult to withhold an exclamation of delight when one comes for the first time upon this masterpiece of exquisite Chinese architecture back of which are thousands of years of tradition and development. From a stone terrace four feet high rises the quadrangular temple. Each wall is

seventy feet long. Of special interest is the outer arcade of pillars, whose red-licquered columns support the lower roof. Below this runs a broad-sculptured frieze, gayly colored, for forming a varied pattern of dragons, arabesques, flowers and symbols.

Two copper roofs plated with thick, dull gold protect the interior of the temple against weather and wind. On both roofs the cornices turn upward. The upper roof forms a pyramid, the four sides of which run together in a "stupal" in five sections, symbolizing the five elements, earth, water, fire, air and either. At the eght corners of the roof gape dragon heads and symbolic figures, all of gold, and from them hang bronze bells, to the tongues of which are tied feathers of falcons, so that they may swing even in the mildest breeze, making the bells ring.

The main entrance of the Golden Pavilion opens to the south. By means of a triple stone stairway the terrace is reached. The three wooden doors of the facade are open. Doors and windows consist of red lacquered scroll work, tastefully carved in wood.

In the temple hall reigns a mystic gloom through which rise the twelve tall columns that support the upper roof. On the altar stands a figure of the reformer, Tsong-kapa, who more than five hundred years ago reshaped Lamaism and cleansed the faith of certain Shamanistic ideas inherited and adopted from older times. Around the walls sit in a meditative position Lamaism's whole colorful Pantheon of divine images cast in brass and bronze or carved in wood. Between them stand sacrificial vessels and urns, minitaure pa godas, symbols and musical instruments —the inevitable frame of Lamaism.

The Golden Pavilion and a similar temple near Jehol, called Hsin-Kung, are supposed to have in China no superior in architectural beauty. In the monastery cities of Tashi-Lunpo, Kumbum and Urga I have seen Lama temples of more impressive size and of mightier outline, and the temples and cloisters around Lhasa are, I admit, more magnificent. But for exquisite taste and elegance they connot be compared to the Golden Pavilion.

The Gateway to the Temple—Triumphal Arch of Potala.

It is this Golden Pavilion, now being reconstructed in Chicago, that will raise its glittering roof of gold close to blue Lake Michigan before the end of August this year.

And now I shall tell how all this has come about.

On a brief visit to Chicago in 1929 I made new acquaintances, among them Vincent Bendix, an industrialist of Swedish extraction, who took a lively interest in my Asiatic explorations.

Mr. Bendix said he had long desired to do something for the land of his forebears and for Swedish scientific research. I suggested that he erect one Lama temple in Stockholm and one in Chicago, either an original or a faithful copy executed in China. He realized at once the importance of such an undertaking, especially in these days of rapid change, which tend to obliterate so much of Asiatic culture, thousands of years old, and he was prepared to bear all the expense.

The next step was to find a capable ethnographic expert, and I was able to enlist Dr. Gösta Montell's services for the expedition. With him and two other members of my staff I made, in November, 1929, a trip to Inner Mongolia, during which we visited a score of Lama temples. Some of these might have been purchased outright, but neither architecturally nor in their state of preservation did they meet our demands. In the Summer of 1930 Montell, his assistant, George Söderbom, and myself, accompanied by the Chinese architect, W. H. Liang, and his assistants and painters, made to trip to Jehol, the imperial city, where I expected to find among Ch'ien-lung's stately temples, a suitable prototype of the shrine which was to be erected in Chicago.

We visited all the famous temples in Jehol. We went to Potala, and after we had seen the Golden Pavilion it became clear to us that it would be this structure which would be duplicated on Lake Michigan's shore. Dr. Montell took 280 photographs in Jehol; I drew about forty sketches, and Mr. Liang and his staff made the necessary measurements, drew the plan the profiles of the temple and copied in color all the decorative patterns.

After returning to Peiping Mr. Liang set up his workshop in a large courtyard under the new National Library, where the various parts of the Golden Pavilion were duplicated by Chinese carpenters. Whereas the original temple in Jehol is rapidly disintegrating, having been exposed to the sun, rain and frost for 160 years, the Chicago shrine is being built of fresh lumber, which. if well taken care of, can last for centuries.

When the new temple was ready, its 28,000 parts were shipped in 173 large crates to Chicago, where it arrived in the Spring of 1931. In 1930 and 1931 Dr. Montell also sent to America the collections he had brought together of divine images, musical instruments, gorgeous Lama garments used at the religious ceremonies and at the devil dances, masques, temple banners, textiles, hangings and many other objects. Another collection, somewhat more elaborate was simultaneously sent to Stockholm, where it was exhibited in January of this year. It occupied eleven exhibition halls.

In February of this year we conferred at Chicago with the organizers and leaders of the Century of Progress Exhibition about the erection of the Golden Pavilion on the World Fair Grounds. Mr. Bendix placed the temple and all its collections at the disposal of the exhibition and promised to pay for the 27,000 gilded copper shingles for the two roofs. His architect, Donald Boothby, has supervised the erection of the temple, and been admirably supported by the Chinese architect. Yuan Hsi-kuo whose help was all the more necessary, inasmuch as the 28,000 pieces are marked in Chinese.

On the memorial tablets Emperor Ch'ien-lung in his charter of foundation relates that he erected the proud monasteries and the Golden Pavilion during the years 1767-1771 in memory of the eightieth birthday of his mother, the Dowager Empress, and also in commemoration of the happy fact that the tribe of Torguts returned to China in 1771. The Torguts were one of the four tribes that in 1616 had emigrated from China to the River Ural and thence to the lower Volga and become Russian subjects. In the days of Empress Catherine the chieftains of the tribe, considering themselves badly treated by the Russians, decided to return to China.

Four hundred thousand strong, with 70,000 tents, the tribe started from the Volga in January, 1771, and wandered, with women and children, arms and household articles, wagons and horses and camels and millions of cattle and sheep, through half of Asia. They fought battles against the troops of the Czarina and against Cossacks, Kirghiz tribes and others. They had to withstand a cold Winter in Siberia, angry blizzards, the torrents of Spring, heat and lack of water in Summer befor the survivors, after seven months of suffering, reached Chinese territory at Ili. Two-thirds of the tribe had fallen in battle or perished from exposure.

This temple belongs in the New World, the land of emigrants, and will undoubtedly be regarded with the respect it deserves. I do not think that I exaggerate in saying that the Golden Pavilion will be one of the main attractions of the exposition. Afterward the pavilion will be removed to Lincoln Park—a memorial to strange historic events and a shining example of the high standard of Chinese architecture and art.

I Went to Jehol

BY UPTON CLOSE

WHAT'S going on at Jehol?

Chiefly, crude and conscienceless mulcting of a frontier populace by an antiquated robber baron who sits undislodgeable for the moment between Japan and China. At present, attack by either side would drive him to alliance with the other. Eventually the fires on either or both sides will scorch him: then he will flee to wealthy retirement in his eighteen Dodge motor trucks hidden in the gate houses of the great, crumbling Potala monastery-fortress.

On the day, following the rains and washouts, when the soldier-rebuilt road from Peiping to Jehol was declared open, two of us set out from Peiping. Between the classical capital and the mountains gangs of impressed peasants were completing the grading of the dirt road under orders of Chinese officers who rode up and down in ancient rubber-tired victorias (God knows where they got them) testing the work. With farm spades and small stone rollers from the threshing floors the peasants were making a surface meticulously level, trimmed to sharp edges falling into deep ditches—and remaking it after the passing of every heavy truck. Further north gangs of apparently quite willing troops working under very earnest young officers were rolling boulders and whittling away jagged stones from the track of the old Imperial highway. The grade of this road, once flagged with great stones, or cut thru solid rock in many places, this "rock of ages" providing its hard surface, is followed almost throughout. Trucks loaded with bundles, crates, boxes and armed young officers; cars and sedan chairs (going southward) with officers' wives and concubines and children and nondescript effects guarded by subalterns; and long donkey trains of machine guns and ammunition guarded with fixed bayonets were passing where Chien Lung's equipage once passed in festival array, and where Emperor Chia Ching and Empress Tzu Hsi leaned from their palanquins to order more frenzied flight from the foreign devils occupying Peking in 1860 and 1900.

Remade Road Is Primitive

The newly remade road is very primitive—still, as a development providing modern communication over a route once normally requiring a week, it commands respect. Certainly it compels considerable revamping of military strategy. The distance is about 150 miles; a well-laden truck can make it easily in two days or a light car in one—this including three river fords where the car must be driven on and off flat-boats, and half a dozen grades that the westerner would believe beyond the capacity of any gas-driven vehicle. The road is paralleled with a new military telephone line which I was told continues all the way to Chaoyang, nearly three hundred miles again northwest of Jehol city. It has double wires as far as the Great Wall. Then of course there are the old telegraphs. I have never seen so many motor vehicles outside of a city anywhere in China. We must have passed two hundred in a day.

Ku-pei-ko, ancient North Pass, is the most picturesque pass of the Great Wall I have seen. With many lesser gates to the north and south admitting through lesser ramparts, the main gateway stands spectacularly, a deep slit at the top of a short, steep rise, doubtless once surmounted by a high tower. Travellers used to make a point of stopping at the picturesque temple that crowds against the gate, just outside. But this was full of Chang Hsueh-liang's solders, as was every other shelter within miles of the wall, so that we had to put up for the night very early in a walled village, Shih Hsiar, fifteen miles to the south of the border.

In the evening an officer and his four or five women and bodyguards moved into our little caravansarai. One of the young guards came up and threw his pistol carelessly on the table where we were eating, but departed somewhat crestfallen when we merely registered amusement at his playfulness. In the middle of the night the ladies of the harem began harrying the old general (we presumed that was his rank and it seemed to give no offense) to take our motor car away from us and leave us theirs, which apparently had been having trouble. Finally to get peace he gave the order. I heard his Chief of Staff's dismayed protest: "But what about those two foreign passengers!" "Pay 'em back for their tickets," was the reply. After that everything relapsed into quietness. In the morning, however, the ladies went off in their old chariot, and the twelve fellow-passengers in "our" truck seemed very grateful to have had us along. We felt, however, that our chauffeur probably was willing to "sell us out." After all, he had our money, and would just as soon have gone back to Peiping.

From the look of things there were eight to ten thousand troops at Ku-pei-ko, quartered no further north than the temples flanking the Great Wall. Their line extends down the Lwan River to Lwanchow, this defence occupying perhaps twenty to thirty thousand men, although its paper strength is twice that. All are old Fengtien troops. No Shansi troops have entered the area, and obviously any encroachment of "Peiping troops" north of the wall would be as much resented by the Jehol robber baron and his cohorts as would the invasion from the north—with the exception of his younger officers, I should say, who have been borrowed by him in past years from Fengtien, Peiping and Shantung. He seems to have adopted, also, a lot of Chang Tsung-chang's whipped braves.

Cholera was among the troops both here and in Jehol: about five cases a day at Ku-pei-ko, I was told, and a young New Zealander missionary claimed a hundred a day in Jehol. Surgeons had anti-toxin but were using it only on infected cases—inserting it with a long needle directly into the intestines. They seemed to have a good proportion of recoveries.

The Chamber of Commerce of Kupeiko had posted the little town with courteous welcomes to the "brothers of the army." I asked the leading herb store man if this was "blah," and he quite earnestly assured me that it was not: the civilians had been much impressed by the Hopei army's good behavior and the work they were doing "with their own sweat" on the road; they paid half at least for their supplies (which probably is not too grinding a deflation of "first price,") and they were willing to give their lives to protect China against the invader. I take it that the Kupeiko merchants much preferred entertaining the Hopei troops to being mulcted by the Jehol lord.

From Kupeiko northward one sees only tiny isolated peasant hamlets and the great, half-ruined chateaux built by Chien Lung to house imperial parties on the seven nights of the journey. Some of these are surrounded by walls taking in several square miles and still filled with fine pine forest; otherwise the country is entirely bare. In Hopei south of the wall the land is immensely productive between the mountain ranges, and crops this year heavy beyond imagining. North of the wall is about as hopeful a country, agriculturally, as the "bad lands" of Dakota.

The "Hot River"

Finally, after about the sixth gruelling ridge ("Liang" the Chinese call them—the same word used for a house ridge) one drops down into the oasis, watered by many springs, flowing into the Lwan River, which attracted Chien Lung in his fortieth year. "*Reh-ho*"—which geographers have spelled "Jehol" (I used to wonder what would happen if this name ever "broke" into the papers) means 'hot river," and in the old walled enclosure there stands a tablet by a spring—now cold—marked: "The original *Reh-ho*."

Chien Lung loved "Pestle Mountain," a rock like a baseball bat standing on its small end, sticking up hundreds of feet from the top of the encircling mountains—never climbed, with clumps of wild crab-apple trees half way up which drop their fruit more than a hundred feet to the rock table for the peasants to gather. There is another formation as fascinating in the environment: "Cleft Mountain," more than perpendicular, divided for a couple of hundred feet, then bulging out into a rounded crest, surmounted by what looks like a shrine, which the natives claim was built by gods, since man never set foot there. At sundown, they say, one may hear the temple bell, rung by the god-keeper.

Eight years Chien Lung spent playing with this locality, and in the aggregate must have used hundreds of thousands of men and hundreds of millions of ounces of silver. A splendid wall encircles several square miles of valley floor and hills making the enclosure called the "Gung," in which were built a score of palaces and temples, a slender nine-story pagoda, and artificial lakes. Here Chien Lung bred and kept his spotted deer, a few of which remain—huge fellows, twice the size of the Nara deer.

In these grounds is the original Brass Pagoda, of splendid metal, yellow under a scratch, two stories high, rooted with gilded brass singles—the gift of Korea and

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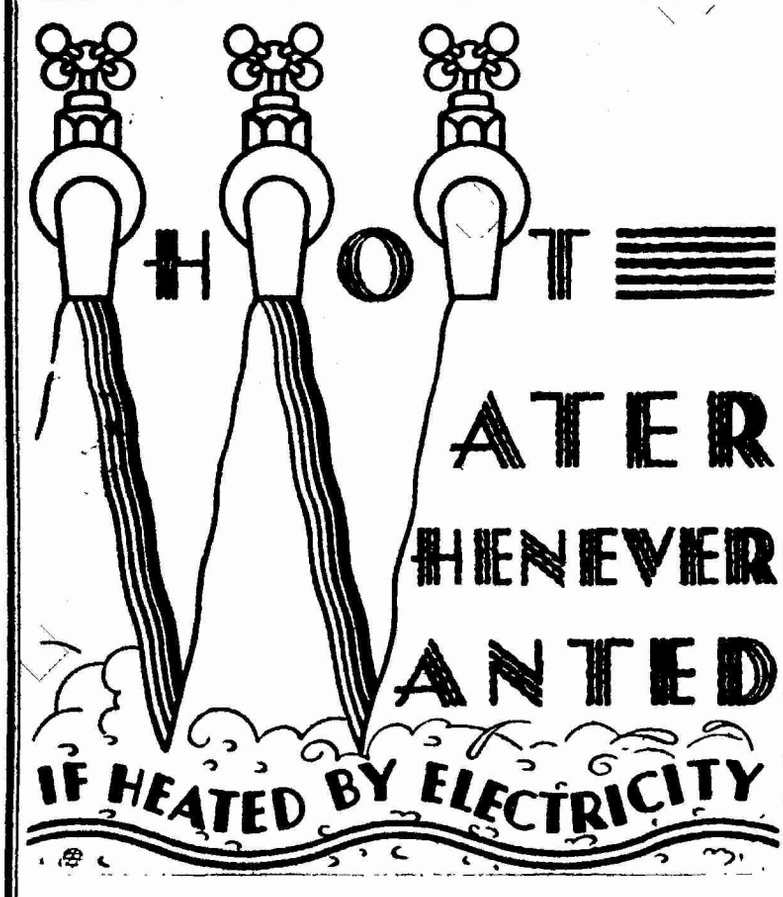

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carried a thousand miles overland in sections, later so wondrously joined together that it is impossible to distinguish many of them. The Empress Dowager's imitation in the summer palace grounds is shoddy by comparison. The detail decorations are first quality art—even the hand-woven brass wire to keep out birds and large insects. The interior once had a gold Buddha. Like everything else of the sort it is gone. The *Tuchuns*—now it's "Chairman" of Jehol—have a reputation of not being content with robbing their people, but of robbing the gods, also.

In a semi-circle about the "Gung" at distances of several miles apart in some cases Chien Lung built the "Ba Dah Chu," "Eight Famous Places." One is the "Circular Tower,"—a gem standing out against nature's freak, Pestle Mountain, shaped like the Temple of Heaven pavillion but with yellow roof. Another copies the Throne Hall of the Forbidden City. Next around the arc is the Great Buddha Shrine: a many storied temple higher than it is wide housing one of the wonders of the world. This wood Standing Buddha, beautifully done, is 72 Chinese feet high; 18 feet wide at the waist thirty-odd feet up, with 42 arms—the large pair made of tree trunks three feet in diameter and jointed into the main tree of the idol's body; the small ones two feet in diameter. The little finger of the smallest hand is too large for a big man's two hands to reach around. The thing is astounding: much larger and superior in workmanship to either the Peiping Lama Temple or the Nara Buddhas, and the lamas claim it is *one tree trunk*, felled three hundred years ago a hundred miles or so away. Buddha had a kerchief twenty yards long—Chien Lung silk—over his main left arm: the Tuchun removed that for safe keeping, we were told, and substituted a piece of outside-wall raw silk ten yards long that would hardly cover the end of Great Buddha's nose.

Some Buildings of Cheap Construction

Aside from the Great Buddha and the Brass Pagoda the construction of these great, ornate structures in the wilderness seems to have been cheap—an exception to the general rule of Chien Lung's building. Of course 200 years without rebuilding in a severe northern climate is hard on any structure. The Empress Dowager, while Jehol was her "capital" during the Boxer aftermath, covered the cracks and rotting timbers with poisonously colored plaster: an index of her work in all things. As it is now these buildings look most imposing from a distance: approached, they are found to be almost complete ruins, and in a few years will be merging with the earth. Great Buddha Shrine now leans at a dizzy angle, and one wonders how soon a northern wind will send it crashing over the head and shoulders of the great god.

The most amazing of the ruins is the Potala: a fortress-lamasary seven stories in height and 400 feet wide in front, and unscalable on the up-side at the rear. It has a round tower connected by an underground passage such as I thought existed only in medieval Europe. Probably Chien Lung's missionary friends suggested this touch. The architecture is Tibetan, otherwise—except, perhaps, for the scores of huge, solid brass drain-troughs around the top: so difficult of access that, like the life-size porcelain Buddhas set in all around just under the top, they have thus far escaped looting. On top of one of the wings of this fortress is the "Golden Temple" that Sven Hedin has reconstructed for the Chicago World's Fair, as his idea of the finest example of Chinese architecture. It, and another temple in the vicinity, are roofed with bronze tile covered, actually, with gold, still intact and dazzling, as are the queer creeping dragons and elephant heads of the roof decorations.

Within the old Gung, from which he rules, Chairman Tang Yu-lin was operating, we learned, two factories for making opium derivative known locally as "white flour." I suppose the product would be called heroin. "Molasses" opium sells at the "Opium Suppression Bureau" or any private shop in town for $1.50 Chinese an ounce. Government transportation to Peiping costs thirty cents an ounce (which has paid for the fleets of American motor cars) and the Hopei authorities take twenty cents tax at the Great Wall. Chang Hsueh-liang, put to it to support his own troops, requisitions a special opium train once a week to take the accumulation from Jehol under heavy guard to Tientsin. Also the "white flour," which brings approximately one hundred times as much per weight as raw opium. At Tientsin, trace of the narcotic disappears.

The Jehol-Japanese dispute apparently originates in this diversion of revenue from protection and transportation of narcotics from the Chaoyang-Mukden route to the Peiping route. Japanese inspectors in the revenue offices in Manchuria discovered that here was one of the main sources of revenue of the old regime which they were entirely losing. The Japanese feint in the direction of Jehol was, so Jeholites tell me, exceedingly inconsequential, and the manner in which it was exaggerated in the Chinese and foreign press was incongruous beyond words. According to Chairman Tang's officers, it consisted in toto of the approach of one Japanese tank toward the border town of Peipiao, nearly four hundred miles beyond Jehol city, and the flight over Jehol city of one airplane scattering leaflets inviting junction with Manchukuo! The tank was stopped by the mountains and turned back when fired upon by Chinese riflemen; the air visit was not repeated. Tang has stated that further airplanes flying over without permission will be fired on and has placed some anti-aircraft defense in the Gung.

I asked about the lost Ishimoto: Tang's officers declared that there is not and never was such a man. They had a chap named "Wang" in jail in Jehol on the charge of being a Japanese spy. He came pretending to be an emissary from Chiang Kai-shek, but when that personage, telegraphically queried, denied knowledge, he was promptly imprisoned. He was found, the officers said, to know Japanese too well to be a true Chinese.

That the "Volunteers" in Manchuria are getting any arms via Jehol seems doubtful. Tang's officers denied it. Tang does not seem the sort of chap who would supply materials out of sentiment, and the volunteers have little to pay. Furthermore, there are very few in touch with the Jehol border—the main rebel forces being entirely east of the Japanese held railways. But that Tang is laying in plenty for himself is without doubt. Chien Lung's artificial hills in the Gung were being riddled with tunnels for storing the ammunition coming in on the long pack trains.

When General Tang Got a Scare

The situation seems to be this: Tang and his high officers got a real scare when the airplane went over Jehol. They sent their wives, favorite concubines and treasures forthwith to Tientsin. But they soon recovered. Tang has seventy thousand well cared for troops, very well stocked with machine guns and ammunition. If they hold the passes at all, which they appear quite determined to do, the idea of an enemy force from the north or east making its way over seven or eight precipitous ranges over a distance of 200 miles in barren country is simply fantastic. Airplanes are useless where there are no cities or centers to bomb, and the jagged, cave-ridden peaks stick up like stubble in a wheat-field. Tang has a very pleasant situation in Jehol, and proposes to stay there against all comers until his army is destroyed, which does not seem possible by military means from either direction. In a pinch he will have his army fight to annihilation rather than surrender, for if he cannot stay it is to his interest to lose his army. If he must retire to Tientsin, he would rather not have a defeated army looking to him for pay.

Meanwhile, he bleeds the country: ten dollars an acre tax on opium land and another tax on the crop. A tax on retail sales, nearly 100% duty on tobacco (as if his were an independent country), additional tax on salt, seems to be the ultimate in revenue-raising conceived in China or any other country. Might better be applied where the population is thicker!

The people of the two or three towns in the great territory are miserably poor; the peasants will not raise sheep for fear of having them seized, like their millet crops, by the military. So they raise goats which they can drive far into the mountains, and goat and pig is the only meat procurable. Only the poorest cereals are raised in the rich oases. Horses, mules and donkeys are unseen among the peasantry, although the military have great pens of them. And Tang has some nice cattle grazing in the Gung.

To cap the climax: Tang's bank of Jehol suddenly this spring refused to pay silver on its notes, which have gone down to ten cents on the dollar. This without even the formality observed in the good U.S.A. of passing through liquidation! Tang's bank never closed its doors! Merchants of Jehol whose deposits were in the bank against year-end drafts to Tientsin are expecting to have to close business at the end of the year.

And the boatman who shot the rapids with us to Lanchow—a four day trip down the gorges to the railway

(Continued on page 200)

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Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River,' and Nanking, a city rich in historic remains with the new grand Mauşoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

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Japan Threatened More from Within

(*From The Review's Tokyo Correspondent*)

JAPAN now stands face to face with unprecedented difficulties internally as well as externally. Indeed, the word "unprecedented" this time is free from the charge of a hackneyed expression. When divided into those of national and international, her principal worries can be fundamentally traced to the world-wide business depression in the case of her home troubles and to the Manchurian problem in the case of her foreign complications. The most persistent among internal burdens are (1) pitiable conditions of agrarians (2) straitened circumstances of petty traders and small manufacturers (3) the dropped and ever fluctuating value of the yen (4) the consequent gloomy prospect of general business outlook.

Before going into these four fundamental questions listen to Rutaro Nagai's remarks appearing in the *Bungei Shunju* in which he declares that what really makes Japan feel uneasy is its home affairs. He states that the fundamental reason why the Saito Ministry is less pessimistic over its complicated diplomatic situation than of its national affairs, is because it is afraid of a newly organized agrarian movement. In a word this fresh movement is, Mr. Nagai continues to state, far wider in dimension, and unlike that of the proletarians' socialistic movement based upon a narrow class struggle this unites the whole farming districts into one big body. In the farming districts all, from day-laborers, traders up to land owners, are sinking down abreast before financiers, industry, and capital of the towns. Naturally this new movement wears a super-class character and is an ominous menace to the existing political parties.

Extinction of the Towns

Hitoshi Yamakawa, a social critic of world-wide fame, publishes in the September number of the *Kaizo*, his sensational reports on how the towns' life is unsafe before the awakened agrarians. Before going directly into his writings let us have a glance on the latest conditions of the Japanese tillers.

Rytuaro Nagai reports in the *Bungai Shunju*: "According to my investigations among 650 families of Hikoye Village, Tochiki Prefecture, the policeman's had eight yen twenty sen, a village school-master's three yen fifty sen and all the rest less than fifty sen, the cash total of the village scarely reaching 100 yen. Still more pitiable is Ida Village, Nagano Prefecture, where among its 400 families there was, excepting a few rich ones, none that had more than 10 sen. In the remote places of the village the inhabitants began eating rice-chaff."

Kinzo Satomura, a proletarian writer, after making personal investigation reports through the *Kaizo*: "When I visited Aomori Prefecture there were going on at several villages engineering works of reparing public high-ways. But all of them were conducted quite unsatisfactorily. As village authorities are ordered by the regulations to conduct the enterprises under their direct supervision no contractors are required, but what they are doing is quite the reverse. For some reason or other they employ contractors and as the result the actual payment received by the workers is 60 sen to 70 sen per head, whereas the outlay by the Home Office to the village authorities is at the rate of 1 yen 20 sen per day. Who could squeeze so big an amount out of their wages? Who knows but that the enormous figures of 600,000,000 yen to be appropriated for agrarian relief measures may not be used up in this way?"

Now, Hitoshi Yamakawa declares in the following vein. The basic cause of the destitute conditions of the farming community of today lies in the towns' squeezing the agrarians. The existence and growth of the large cities depend wholly upon the farming class; especially the City of Tokyo which is the centre of politics mercilessly squeezes the agrarians. The premise that the very existence of large cities constitutes the cause of the impoverished state of agrarian communities, cannot but justify the conclusion that the way for the agrarians to live is to blot out the existence of the cities.

The land-owners to whom the peasants take 55% of their crop do not live in their villages but reside in large cities. The banks which attach the peasants' property have their head offices in large cities. The manure suppliers are also stationed in the towns. These clear facts infuse a certain alluring sentiment into the agrarians' slogan, "The town is the enemy of the farm." The power of this sentiment increases in depth as the difficulties and disorder aggravate in the farming class.

Indeed, the way for agrarians to live is to wipe out towns. Then, what may be the measures to attain this object? Their "Directions of the movement" reads:

"1. Make it your object not to sell your farm produce to towns but to consume it yourselves.

"2. Don't buy your necessaries from towns but try hard to provide them for yourselves. Spin and weave yourselves. Provide soy for yourselves by cultivating soybeans. Don't use sundry goods sold in towns however convenient they might be. Don't purchase manures from towns but supply them for yourselves through raising cattle. Polish your own rice at home and mill flour for your own use.

"3. Don't send your children to Tokyo or other cities for study; quit your hereditary idea of making salaried men and women of your children.

"4. Discontinue going up to Tokyo or Osaka for sight-seeing, for, otherwise, a few hundred millions of yen would continue flowing into towns. Never go to towns unless really unavoidable. It is a disgrace to look in amazement at things in towns which have come into such gorgeous existence by the sweat of your brows.

"5. Never borrow money from towns, and never forget to spend your money within your village.

"6. Don't allow the department stores in towns to open their branches in your districts.

"7. Don't let any culture of towns to be introduced into your village.

"8. Don't invest in any undertakings, land, or shares of towns."

The Campaign Against the Towns

When this campaign of the agrarians has through their combined efforts spread into various districts, their parasities would gradually leave towns—five millions now settled in Tokyo, for instance, would be reduced by degrees to four, three, two millions....half a million. On the other hand the population in the rural districts would increase in inverse proportion. The prosperity of towns is ruin to farming villages, and vice versa. When towns are all gone all Japanese will be soil tillers. But considering the fact that the Japanese farmers now plow 2½ acres per family, how many square feet per head could they till when all the Japanese have become soil tillers?

The most reliable of all the Japanese periodicals relative to finance and commerce is, I believe, the *Economist* published by the *Osaka Mainichi* Shimbun-sha, Ltd. In its September number appear the following statistical investigations:

"The difficulties now experienced by retailers and petty manufacturers are principally in consequence of (1) the decrease in purchasing power of farming communities due to their untold crisis and of (2) the difficulty in collecting bills. Especially in the case of retailers they groan under the pressure of (1) department stores (2) developed public markets (3) purchasing guilds and sales guilds ever increasing in influence (4) large manufacturers' attempt to own their own sales stores.

"In consequence thereof their sales have greatly decreased of late leaving them little or no profit or even causing losses. To cite an instance, investigation made in June last year discloses that during one year ending in June Tokyo retailers' total sales amounted to Yen 278,896,776 which, divided by 57,520 dealers, corresponds to Yen 4,849 per dealer. Deducting the cost price it leaves Yen 1,045 profit, that is Yen 87 per month. Out of this meagre profit the retailer must pay his rent, electric light charges, taxes, salaries for his employees, and petty business expenses. With the rest he has to support his family; how discouraging! Yet, there are still more miserable cases: dealers selling cabinets and furniture lost Yen 493 a year; those handling toys and sporting goods Yen 506, jewellers and dealers in watches and weight and measures Yen 171 on an average."

The *Economist*, insisting on the immense difficulties the contemplated petty traders relief measures would meet upon being enforced, declares something like the following.

One of the principal objects of the Government measures is relief for small dealers and manufacturers on smaller scale. The measures now believed as planned are principally for accommodating them with a loan and helping them to adjust and lessen their burden of debts. As to their possible result, however, we cannot but entertain profound anxiety; we are even inclined to consider

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most of them will go wide of the mark or do more harm than good. Seen from the broader economic viewpoint the financial difficulties and enormous debts under which they are groaning should be construed rather as the result of their losing undertakings than as their cause. Consequently, therefore, unless they are placed in a position to do paying business no measures would be effective enough to strike at the root of the evil. As regards the Government's emergency measures of advancing loans to small traders and manufacturers, we can safely predict that the loans received would go sliding into their creditors' hands as payment on account for their long standing debts. Thus, instead of relieving suffering masses the measures would serve to enrich financiers.

Depreciated Yen and Financial Prospects

The *Economist* published in its issue of September 15 its own observation with its characteristic thoroughness and fairness. The undermentioned is a summary of the text.

	$	£	Tael (Shanghai)
August 1	27 7/16	176 3/4	88
„ 5	26 1/2	1/6 3/16	86
„ 10	26	1/5 15/16	83
„ 15	25	1/5 1/4	80
„ 20	22 3/4	1/3 3/4	70
„ 25	22	1/3 1/4	70
„ 30	22 3/4	1/3 7/8	70

(Mitsubishi Bank T.T. Selling)

There are several causes traceable to the violent drop of the yen value, but none is more influential than the Manchurian problem. Hence no measures would prove effective to recover normalcy until the Manchurian problem is peacefully solved. In our view the future rate of yen exchange will take downward tendency fluctuating at intervals. It seems that the fact that the Manchurian problem has an important bearing upon foreign exchange has come to draw more serious attention of the public. The unfavorable international accounts and apprehensive out-look of the inflation are of course responsible for the depreciation, but we must remember that such unhealthful state of things are not limited to our country; there are countries enjoying better exchange rate under conditions worse than ours. From this fact we convince ourselves of the significance of the characteristic nature of the Manchurian problem. However, it is superficial observation to define the Manchurian problem within our diplomatic relations only; among foreign speculators the problem is considered rather as that of econmics. According to their views Manchuria is far from satisfying Japan's emigration project, almost entirely discouraging as her overseas market for manufactured goods, and even short of our expectations as far as the strict maintenance of her home capitalistic organization is concerned. Underlying their sweeping assertions, "Japanese administration of Manchuria and Mongolia is suicidal to her economic life," are such pessimistic conceptions. Whatever may be the obstacles, it is not at all provable that she would wash her hands of the Manchurian question after so long a time, and as a matter of course the future development of the rate of exchange allows no optimism. (The *Economist* then enumerates in detail the business boom now noticeable in the Japanese market but it is omitted here for brevity's sake—Editor) The question is whether this raised price of all commodities creates the generative power of financial reconstruction. The present activities are greatly influenced by the American financial world; in the case of raw silk and cotton manufactures their jump is almost exclusively attributable to it. If therefore the American boom is really of fleeting nature we cannot expect much. Indeed, the gold embargo, upward tendency of prices in staple commodities, bonds and shares —all these phenomena suggest at first sight a basic rehabilitation of national economy. Yet, upon shifting our eyes towards the overproduction, lowered wages, unimproved state of the jobless, unfavorable trade balance, etc. we cannot but predict that the temporary boom will not last long. We doubt the effective enforcement of the government inflation policy, but granting that it is carried out exactly as culculated by the authorities, it will diminish purchasing power by raising prices of daily necessaries before it stimulates the public buying power.

Business Outlook Discouraging

The *Economist* in its issue of September 15 expounds the whole situation as summarized below.

Out of the population of 65,000,000 agrarians represent 49%, wage earners 24%, middle and lower classes of business undertakers private and otherwise 15%, and salaried men inclusive of their family members 11%. Has the sharp decline of the yen exchange rate enhanced their purchasing power? Or, are there any sign of improvement in near future? Up to 75% of the agrarians is represented by rice growers and sericulturists. The price of rice has advanced up to yen per koku. So, when cost of produce is put at 20 yen 11 sen as culculated by the Agriculture Office, there is a sufficient margin of yen 4 per koku. Under the existing basic economic system in Japan, however, the profit thus calculated seldom goes to the hands of the producers, and it is still difficult for farmers to despose of their rice at above the cost of produce. Compared with rice growers the sericulturists are in a far better position. The ruling price of cocoons is yen 5 per kin while the production cost is yen 3. This is, indeed, a record since 1929. But, these encouraging figures would be discouraging when you get behind the scenes, because 52% of the net cost of production is occupied by mulberry leaves, whose manures and farmrent (which are out of their power to supply themselves) take up 50% of the total cost of production. Added to this manures and equipment will advance in price. The uncontrolled sericultural industry will encourage undue increase in production. Putting all these possibilities together into your consideration you will never be free from apprehension.

How about the day-laborers? The brisk activities noticed at munition factories following the Manchurian incident, did not stimulate general industrial enterprises or made little or no influence in bettering the laborer's wage.

Number and Income of Laborers.

	April, 1932 Number	April, 1932 Income	April, 1931 Number	April, 1931 Income
Munition Industry				
Machines	96.5	94.4	98.1	89.2
Shipbuilding	74.9	88.8	83.7	87.5
Rolling stock	77.3	84.2	90.6	86.0
Pharmacy	92.4	93.6	92.7	94.4
Other Staple Industry				
Reeling	74.6	60.2	89.0	68.5
Spinning	64.2	67.4	62.1	76.2
Manure	72.9	92.3	78.6	94.1
Paper	72.0	90.1	77.0	95.5

(By the Bank of Japan)

The table clearly shows how depressed is the labor market. The improved tendency shown in the munition industry is almost nothing. Although it is not unthinkable that the wages may in the long run come up to the level of the price of commodities raised in consequence of depreciated yen value, yet if the increase of wages and salaries take the usual slow upward motion the high prices of commodities and consequent hard living would affect the purchasing power of lower classes of society. Since the agrarians, wage earners, middle and smaller business undertakers are all in such a pitiable condition, there is every tendency that the pressure of city and rural life will become more and more intensive. If the Government relief measures are lacking in thoroughness as are generally feared, the basic reconstruction of national economics is doubtful.

I WENT TO JEHOL

(*Continued from page 196*)

near Peitaiho, unsurpassed by any in China—had to pay $8. tax (good money, not Jehol Bank) out of a $20. or $30. income each round trip for the privilege of passing Tang's garrisons along the Lwan River outside of the wall—and carrying as many of his soldiers free as can "pile on." Our good host, manager of the mud hole which is Jehol's best inn, complained of having to put up and feed Tang's grandson and friends whenever they saw fit to put on a protracted party in the inn (grandson's brand new American make motor car was sitting among the mule litters and carts in the inn when we were there). But the general inn-keeper would not make a bad Chairman himself, given the opportunity. He procured for us samples of Tang's opium and heroin to bring back as evidence which we duly paid for: to find on arrival at Peiping that they were poppy-waste and white sugar!

It is not surprising that the people of Jehol would consider it a great spectacle to see the Japanese—or anybody—striking their Chairman a disastrous blow. One only wishes that such an eventuality, however remote, would hold promise of something better for the people. But my more recent travels in Manchuria have discouraged me from thinking this.

Seoul, Korea, September 22, 1932.

Japanese Methods of Smuggling in Manchuria

In this article (writes a correspondent in the *Manchester Guardian*) it is proposed to give examples of unfair Japanese trade practices taken from information obtained at first hand in Manchuria. Most of them come under the head of smuggling, which had assumed formidable dimensions at places controlled by the Japanese before the seizure of the Chinese Maritime Customs offices--nominally by the new Government of Manchukuo. That action has, of course, increased the power and opportunities of the Japanese to favor their own trade at the expense of their competitors. But the facts given here relate to what was happening before the enlarged opportunities were created.

The three maritime gateways to the trade of Southern and Central Manchuria are Newchwang, at the western end of the coast-line—the oldest Treaty Port in Manchuria; Dairen, on the Liaotung Peninsula—the lease of which was transferred from Russia to Japan at the end of the Russo-Japanese war; and Antung, on the Korean-Manchurian border. Until recently the Chinese Maritime Customs functioned at all three places, Newchwang's Customs organisation being on the same footing as that of ports in China proper. Dairen's and Antung's, on the other hand, were governed by special agreements whereby the staff was predominantly Japanese. As far as the writer's knowledge goes, the Japanese personnel of these two ports worked as loyal servants of the Chinese Government. Their fiscal control over trade, however, was inevitably limited by the administrative powers of Japanese officials responsible to the South Manchuria Railway Company or directly to the Japanese Government.

At Antung smuggling has been conducted on a large scale in the following way. Goods from Japan have been imported at Hsin Gishu, on the Korean side of the Yalu Rover, in bond. They have been withdrawn from bond for export to Antung—thus becoming free from Korean duty and consumption tax; transferred across the river to a warehouse known as Railway No. 1 Godown, over which the Chinese Customs had no control, and from there they have been railed to Mukden and other places without paying any Chinese import duty. This procedure has been so smooth and satisfactory that it has been worth while to send goods imported at Dairen (where no duty is levied until the goods pass out of the free area) to Hsin Gishu for subsequent dispatch into Manchuria.

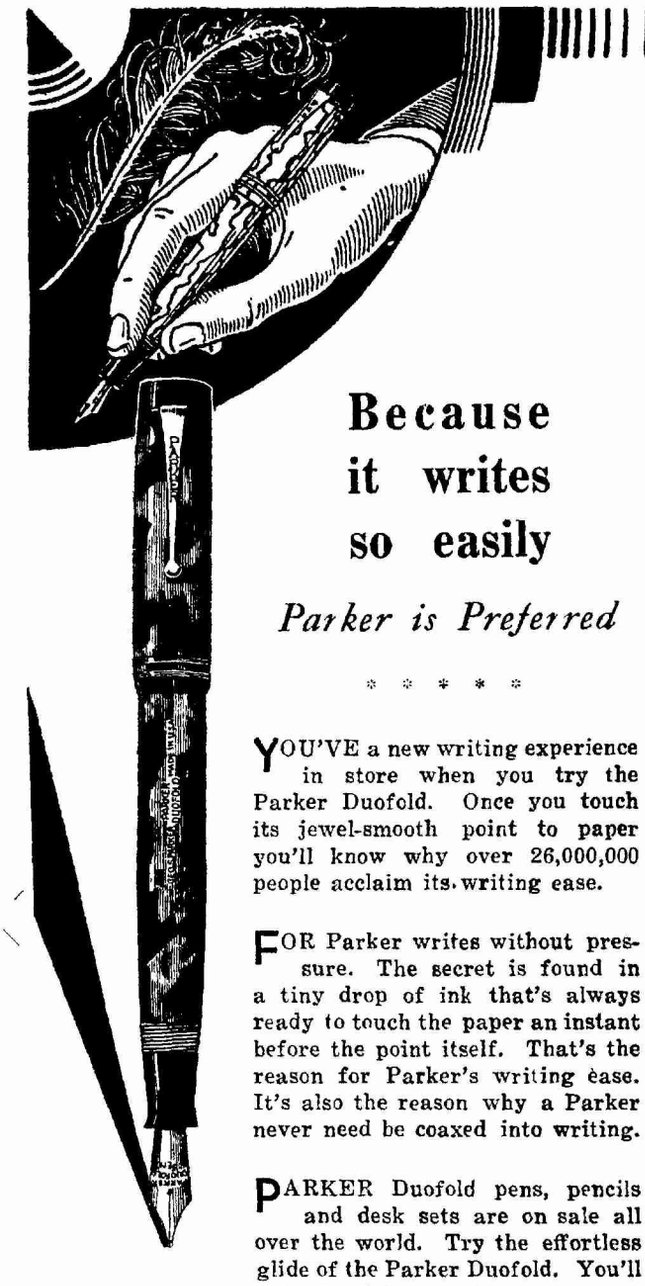
Goods sent direct from Dairen into Manchuria have been enabled to avoid Chinese Customs duty by railing them to Pulantien on the border of Kwantung Leased Territory and Fengtien Province, and carting them thence to Wafangtien, whence they have been railed northwards free. In some cases the same result has been achieved by carting the goods from Dairen to Wafangtien.

"We are credibly informed," says the report from which these statements are taken, "that arrangements can be made with forwarding companies, for a consideration, to get full car loads actually run through from Dalny without payment of duty, and that it is easer for a full car to be dealt with thus than in the case where the car contains a miscellaneous assortment of goods for which several forwarding companies are responsible."

As a consequence of these practices the best white grade of Japanese soft sugar (imported into Dairen can be—and, I understand, has been—delivered at Ssupingchieh at gold yen 12.48 per bag, whereas the cost of delivering the corresponding grade of sugar refined in British factories at Hong Kong is gold yen 16.62 per bag.

In Mukden this spring British—i,e., Hong-Kong refined—cube sugar was retailing at 30 cents Mex. for a lb. carton, of which duty represented 13 cents. A similar competing grade of Japanese sugar was selling at 10 sen (13 cents) per lb. carton in the Japanese Settlement and at 15 cents in the Chinese city, or at only 2 cents per pound above the import duty on cube sugar. Similar sales were taking place in Harbin, where the actual difference between the British and the Japanese products was gold yen 3.80 per bag.

The effect of duty evasion in Manchuria upon the trade of China proper may be illustrated from the fact that, whereas normally the Shanghai sugar market governs prices at other ports, early this year Shanghai sugar was being undersold by sugar imported there from Manchuria and North China ports. There seems to be no reason why other commodities which have escaped duty payment in Manchuria should not be sold in North China on a similarly cheapened basis.



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Soviet's Extensive Plans for Development of Siberia

HABAROVSK, Siberia—October this year will be the tenth anniversary of the days when the Japanese troops and warships were forced to leave Vladivostok and with them the last of the White forces led by Merkulov and Kapelyev, who left the country. Those who have studied the bloody history of the civil war and the intervention in the Far East, this up and down between Red and White turned to the advantage of the Whites again and again by reason of the Japanese intervention, but ending finally with the triumph of the Soviets those who have followed this history of treachery, cruelty, and murder, can understand the enthusiasm with which a stronghold of Soviet's construction is now being created here.

The Far East Region which did not join the U.S.S.R. till 10th November 1922—up to this date it formed, as "Republic of the Far East," a buffer state between the U.S S.R. and Japan—has hitherto lagged behind the rest of the regions of the Soviet Union in the development of its socialist economics. This mighty region, from the Behring Strait opposite Alaska to the Korean frontier, from Transbaikalia to Sakhalin, has only 18 million inhabitants (0.8 inhabitants to the square kilometre!). There are 22,000 kilometres of coast by the Pacific and the Arctic Oceans, 2,000 kilometres of navigable rivers but only 2500 kilometres of railway on 2.9 million square kilometres of land. These scanty figures give an idea of the distances to be reckoned with here. The distance from the industrial centres (6,000 kilometres from Kusbas), and the almost complete destruction of the slight industrial basis possessed by the region itself through the civil war and the intervention, have multiplied the objective difficulties of the fresh developments.

The last two years have, however, completely altered the aspect of things. At the present time the Far East is one of the foci of Soviet constructive work. The immeasurable natural wealth of the region is about to be opened up and exploited. Distances shrink, loneliness vanishes, human beings appear, machinery and tractors appear, roads and railways are being built, ships cross the Ocean to Vladivostok. Aeroplanes fly over Taiga and Tundra, the Far East is no longer far, but approaches nearer to us day by day, as fresh miracles spring from the soil, and fresh deeds of heroism are carried out on the front.

A Country of Great Resources

The plan of construction for the Far East, already completely dominated by the spirit of the Second Five Year Plan, is based on the following program: The Far East, hitherto a region to which food supplies have had to be sent, must not only completely cover its own supplies by 1937, but must export food. The Far East must have its own metallurgic basis, and build up its own light and heavy industries upon it. Since the Far East possesses all, absolutely all, raw materials, from paper pulp to hematite, from gold to graphite, from linen to oil, from granite to whale oil, the Far East must develop industries sufficing not only for its own needs, but for exports. These industries must manufacture every requisite for agriculture and livestock breeding, for hunting and fishing, and at the same time for the transport service. The Far East must be independent in its economic life from the centre of the Soviet Union, and its own resources are so rich and multifarious that distances will become no more than mere figures, robbed of their significance by the aeroplane and the airship.

The following is a brief survey of the most important natural resources of the Far East region and of the first great undertakings. At the conclusion of this summary but dizzying array of facts a few data are given on cultural progress. Anyone who examines these figures carefully will grasp what the Japanese imperialists are so anxious to get into their hands, and will grasp too what the proletariat of the Soviet Union, has to defend.

The iron ore basis of the region lies in the Little Khingan Mountains. Up to the present the presence of 70 million tons of highly valuable ore has been established, but the calculations of the scientists estimate a total of about 500 million tons. By the Olga Bay there is a deposit of about 100 million tons of ore. The Khingan ore contains up to 40% of iron. (It is a well-known fact that Japan only possesses 80 million tons of ore reserves.) The Khingan Combine will have an output of 450 million tons of cast iron in 1937. The Khingan District will form the metallurgic basis for the Far East region. At a distance of about 300 kilometres from the ore deposits, there is coal. The total coal deposits of the Far East are about 100 million tons. The naphtha fields (Sakhalin, Kamchatka) are estimated at 300 million tons; the yearly growth of wood is approximately 250 million cubic metres; the peat deposits are calculated at 600 million cubic metres; zinc and lead are estimated at 400,000 tons; the possibilities of fishery are reckoned to be not under 25 million kgs; the water power available is estimated at 36 million HP. And of all this wealth only a part is being utilised at the present time, to the extent of 1 to 5%!

The year 1932 is the first year of rapid constructive work. 930 million roubles are being invested in fundamental undertakings (as compared with 440 million in the original plan). This year 7.32% of the total industrial investments of the Soviet Union go to the Far East Region. As compared with 1929, exports will increase by 220.8%, the gold output by 420%, the coal output from 1.3 million tons to 4.9 million, fishery output from 1.78 million tons to 4.5 million, the timber output will increase to 8.8 million cubic metres, and furs to the value of 4.8 million roubles will be supplied. 90 sawmill plants will be working, 360 combines, 84,680 HP in tractor power. Since 1929 collectivisation has progressed from 6.1% to 58.7%, and the area under cultivation for technical plants from 8.9% of the total area cultivated to 14.4%.

Undertakings in course of construction are: 3 electric works, 1 fishing net manufactory, 1 road building machine factory, 2 shipyards. 1 motor car repairing and fitting works, 2 sugar factories, 1 vegetable canning factory, 2 standard house factories, 1 paper factory, 1 great cement factory, 1 factory working up fats.

At the present time Sakhalin is already producing 300,000 tons of oil. The first Soviet oil boats (3,000 tons) are floating on the Amur. 376,000 tons of canned meat will be manufactured this year. Further factories being built are: 2 match factories, 1 leather combine, 1 hemp spinning mill, 1 vegetable tinning factory. Perspectives: Wood: 1932 8 million cubic metres, 1937 37 million cubic metres; gold: 1932 25,000 workers, 1937 45,000 workers; area cultivated: 1932 1.8 million hectares, 1937 3.2 million hectares; rice: 1932 20,900 hectares, 1937 125,000 hectares; soya beans: 102,000 and 420,000 hectares; sugar beets 4,300 and 65,000 hectares; technical plants: 147,000 and 774,000 hectares.

In 1932 the sums invested in the gold industry amount to 40 million roubles, in the wood industry 80 millions, in the Sakhalin oil fields 32 millions, coal mining 53 millions, power production 12 millions, transport service 190 millions, etc.

Below a small extract from the municipal public utilities budget: In 1932 the sums expended for public utilities amount to 36.5 million roubles, without counting an additional 51 millions for dwelling house building. The town of Khabarovsk has a budget of 15 millions, Vladivostok 22 millions, solely for dwelling house building and new public utilities. The Second Five Year Plan provides 703 million for dwelling house building in the Far East Region and 502 millions for public utilities services, a total of 1¼ milliards! Of this sum Khabarovsk and Vladivostok receive half a milliard each.

Cultural Progress

And now the head to the National Educational Department of the Dalkrayispolkom (Far East Regional Executive Committee) supplies a few data:

The number of elementary scholars has increased from 96,000 to 110,000 between the school years 1931/32 and the school year 1932/33. The number of school classes has increased from 2,477 to 2,732, The state budget provides 42 millions for the mass schools this year, as compared with 6 millions five years ago.

The various economic and other organisations expend 80 millions for the schools. The number of schools for peasant children has almost doubled. Two new technical schools will be opened this year, one of these to be Ukrainian (30% of the population are Ukrainians!). The Second Five Year Plan will bring the republic 6 new colleges, and expend 2½ milliard roubles for purpose of national education. Of the new colleges, one will be Jewish and one Ukrainian. A special technical school will be provided in Nikolayevsk for the northern peoples. In Birobidjan a medical college for workers is being built. the instructional language to be Jewish. 75% of all districts are being provided with new school buildings, 25% of the population between the ages of 18 to 50 will receive higher schooling in the second Five Years. Illiteracy, formerly the lot of 72% of the population, will be wiped out by May 1933. At the present time the majority of the illiterates are almost exclusively Chinese

and northern peoples, for whom alphabets of their own are now being made and books printed for the first time. The Chinese characters are being Latinised. The two Chinese newspapers are already appearing in part in Latin lettering. There will be a library to every 3,000 inhabitants. 24 theatres are to be built.

In Habarovsk a new theatre is to be erected at the cost of 1 million roubles. The number of technical and workers colleges will increase 68 this year to approximately 700 in 1937. 560 children's rest homes are planned, 3,302 juvenile libraries, 52 children's sports grounds. The figures call out to us, and they call out the shame of the capitalist world! The number of Korean elementary schools increased from 249 last year to 351 this, the Chinese schools have increased from 6 to 10. In Sakhalin there are now 60 elementary and 6 secondary schools.

OTTO HELLER.

Squatter Huts to Be Demolished by Shanghai Municipal Council

The Municipal Council at its meeting September 14 adopted the recommendation made by the Works Committee that all unauthorized huts be demolished after one month's notice of the Council's intention to carry the move into effect. In reports submitted to the Works Committee on September 6, the acting commissioner of public works referred to the decision reached by the Council last year that existing squatter huts be registered and that the erection of further huts be not permitted. From a recent survey it had been found that a large number of unauthorized huts had been erected during the current year, owing to the disturbed conditions early in the year when the usual routine supervision had to be relaxed to a large extent.

Meanwhile departmental action which had recently been taken to remove certain of these unregistered huts had resulted in appeals being put forward by the occupants ·· h it was noted were not supported by the Hut Dwellers n with which the Council negotiated last year. He ıated that approximately 1,000 unauthorized huts had erected, consequently demoli·ion on a large scale be· necessary. The acting commissioner accordingly renended that the authority accorded last year to demolish such unauthorized structures be renewed and one :h's notice given to the occupants of the Council's inten-

He added that he had conferred with the Chinese tant secretary who had investigated the existing situaand that he supported this recommendation.

he commissioner of public health stated that there was ıubt that the existence of this large number of unautho- structures was subversive to the interests of the public :h, particularly so far they assisted in the spread of :tious and contagious diseases. In his opinion the ship which it was alleged would be inflicted by demoliof these unregistered huts was more apparent than since a considerable number of their occupants were position to obtain alternative accommodation,

lapan May Add Liaotung to Manchukuo

Although it was recently intimated that Japan would ·oach China regarding the abrogation of the Sino- nese Customs Agreement of 1907, which provides that ppointments to the post of Commissioner of Customs lairen are subject to the approval of the Inspector- ral of the Chinese Maritime Customs, a spokesman of apanese Foreign Office recently stated that Japan had decided not to broach the question to China. He added, ·ver, that if Chi· a were to protest against the action ıe Manchukuo authorities in taking over the Customs, n would reply that she considered the 1907 Agreement and void, as her recognition of Manchukuo presupposed ›rogation. Therefore, he declared, there was now no to negotiate.

The spokesman said that Japan would have preferred rogate th· agreement by negotiation prior to recogni- Manchukuo. He contended, however, that if by any ce, the Chinese authorities continued to consider the Treaty invalid, they must logically consider that the Agreement terminated in 1923, as, according to the ese, Japan's lease of the Liaotung Peninsula expired ıat year. The spokesman asserted that there was a ibility of Japan returning the territory to Manchukuo :traterri·oriality were abolished, as it would help to gthen Manchukuo's position and prestige and thereby ·ibute to the stabilization of the situation and bring : and prosperity. These objectives, he concluded, Japan's principal aims.

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SOCONY FOR UNFAILING DEPENDABILITY GASOLINE

The Bogey of Soviet "Dumping"

BY GEO. W. MISSEMER

FOR the past several years hardly a day has gone by that some journal or correspondent has not been spreading reports about the danger of Soviet "dumping." If these reports were to be believed the Soviets were turning, or were about to turn, the world upside-down by selling everything from pins to platinum at ruinously low prices. In the first place, let it be noted that it is a mistaken assumption that it would be a bad thing for the world in general if the Soviets were to sell goods below cost, any more than it is when Michael Cohen does so at his clothing store after a fire. With the purchasing power of many millions throughout the world at the low ebb that it is at present they would hail the Soviet Russians as particularly good friends if they were to supply them with goods at cheap prices. But the truth of the matter is that the Soviets are not—generally speaking—doing anything of the kind. It is quite true that at various times in various parts of the world there have been isolated instances of Soviet pencils, or Soviet razor blades, Soviet textiles or other muck and truck appearing on the market and selling at ridiculously low prices. But these have been only spurts and there is no evidence of there being a settled policy of 'dumping." At certain times the Soviets, doubtless because they were hard up for ready money to buy ammunition, or for other reasons, have sold isolated huge lots of manufactured goods at below-cost prices. But whenever they have done so they have not hurt the buying public in general, but only temporarily hurt the manufacturers or middlemen who were engaged in that particular line.

Other Countries Than Russia Regularly "Dump"

If the truth is to be told there are probably other countries who are more "guilty" of adopting a fixed policy of "dumping" than is Soviet Russia. Pre-war Germany used to dump its sugar on the world in general and on England in particular by providing a handsome bounty for German exporters of sugar, but that worked out for the benefit of the English and to the detriment of the Germans. At the present time the New Zealand and Australian Commonwealths in the British Empire are allowing a bounty of three pence a pound on butter and similar bounties on other of their products, with the result that butter, to take one example, is delivered cheaper in England that it can be bought by the Australians themselves. It is obvious that as a result of such a policy the real benefit accrues to the English and not to the Australians or New Zealanders. It has frequently been stated that the Russians are selling cotton goods in Manchuria at prices below cost, but there is no evidence that there have been other than isolated cases. The one country that is selling cotton goods, particularly cotton yarn in China, below cost is Japan. To a certain extent this state of affairs is brought about by the depreciation of the yen, but the real way to figure out costs is to calculate on what the raw cotton on the present depreciated yen basis will cost to replace the cotton that was purchased when the yen was more nearly up to standard—and on that basis Japanese manufacturers are selling way below cost—mostly induced to do so by the operation of the Chinese boycott.

Occasional Spurts for "Scare" Purposes

Recently—to take a more specific instance—much has been heard of the advent of Russian oil, particularly gasoline, into China. There has been a great deal of talk about "dumping," but so far there is little evidence of it. The few Soviet oil stations that have been established in Shanghai are not being deluged with customers—for one thing because it is generally believed that the gasoline is not up to the standard grades. At any rate the Soviets are only offering their gas at five cents a gallon cheaper, and it is probable that, with the discounts allowed, the old established oil companies are actually selling cheaper than are the Soviets. So far as manufactured articles in general are concerned the Soviets up to this time have been far from being in a position to dump on the world's markets as a regular policy—even if they wished to do so—other than spasmodically for "scare" or propaganda purposes. Russia does not nearly begin to manufacture sufficient cotton goods, to take one example of which one hears a great deal, for the needs of its own people, and as a matter of fact manufacturers of cotton goods from America and other countries, furnish large quantities of these articles to Russia on a barter basis in exchange for furs, manganese, platinum and other *raw* products. Recent telegrams announcing this fact mention that the Russian populace is in dire need of such cotton goods. It is obvious that if it were true that the Russians were selling abroad at below-cost prices and at the same time importing those same articles at a higher price from other countries they would be on the sure road to destruction. We give the Russians credit for being better business men than that. Generally speaking it may be taken for granted that when the Russians are selling oil, for example, for the time being at particularly low prices in any part of the world, it is mainly for the purpose of creating a little competition among possible purchasers of their oil wholesale, and shortly afterwards one may expect to hear that this or that country or this or that old-line oil company has made another contract with the Soviets to purchase so many million gallons of oil to be delelivered during the next few years. One never hears that the contract price has been particularly low.

Shanghai, September 27, 1932.

Dr. Heeren of Shantung University Gives His Impressions on Soviet Russia

Dr. J. J. Heeren, a professor of history and political science at Shantung Christian University, Tsinan, recently returned to China from home leave, after having spent four months in Washington, more than two months in Geneva, considerable time in London, and three weeks in Russia In a contribution to the *Tsingtao Times* Dr. Heeren recently gave his impressions on Soviet Russia.

The first impression, he says, is one of universal drabness, of proletarian monotony. It "strikes you in the eye" that you are face to face with a proletarian civilization, the result of a workingmen's revolution. It shows itself in the dress and the general bearing of the people as one sees them on the streets and in their gatherings. Gone are the elite of imperial days. You look in vain for attractive shops like those one enjoys seeing on the Kurfurstendamm (Berlin , on the Avenue de l'Opera (Paris), Regent Street (London) or Fifth Avenue (New York). A second vivid impression was one of the feverish activity of the new proletarian state, especially in the big cities. Everywhere you see streets being torn up and repaved, old buildings being painted or whitewashed. All sorts of new structures, especially factories, are in the process of construction. Moreover, all these factories seem to be working at top speed.

A third fact which utterly bewilders the bourgeois tourist is the exchange problem and the prices he has to pay for goods. The official price for a Russian rouble is 51 cents U. S. gold, and this is the rate at which tourists change their own money. But alas! the rouble is actually worth only about 6 cents U. S. gold; or if you wish to take a chance at dodging the police you can get 30 or even 40 roubles for your dollar.

An outstanding feature is the Communist crusade against the Church. An immense assault is being made against organized religion by means of a campaign which aims to make atheists of all the young people, Moreover, the Communist Party itself is a party of atheists. An "aspirant" (research worker) of the Moscow Communist Academy told Dr. Heeren that no person who was not an atheist would be admitted into membership of the Party.

Everett Co. Files Denial of Charges Made by Transport Company

L. Everett, Inc., have filed an answer in the United States Court for China to the suit brought by the China Transport Co. in which the transport company alleged that their former managing agents, the Everett company had acted improperly and illegally in the conduct of business for the plaintiff. The answer filed by Everett, Inc., denies that any secret profits were made and that salaries were paid from the treasury of the company to asserted employees that did not exist and supplements that there was no contract by which they were to retain 7½ per cent of the net profits of the operation of the business but only 7½ to be retained from the net profits for the operation of the truckage, storage and lighterage as charged by complainants.

Chinese Seek Full Control of Shanghai District Court

With reference to the clause in the Rendition Agreement regarding the First District Court in Shanghai (the former Provisional Court) which reads, "The Agreement may be prolonged provided that both sides agree to the terms thereof," the Chinese Government is flatly opposed to a renewal of the agreement which expires in March, 1933, and is making every preparation to make certain amendments to it.

According to the *Min Pao*, Chinese newspaper in Shanghai, the Ministries of Justice and Foreign Affairs are carefully considering the agreement from all angles, the former having appointed six deputies to make a special study of it while the various presidents of the Kiangsu Branch High Courts at Shanghai have been requested to submit their professional views on certain points which have been the object of particular research by them. A draft of the proposed amendments to the agreement is now completed and is believed to contain detailed statements affecting the main points pivoting on the authority of the Special District Court.

Under the terms of the Rendition Agreement notice of any intention to revise it in any way must be given six months before its expiration. The Nanking Government's proposals for revision are expected to have far-reaching effects upon the present system of police and judicial control of the Settlement, though more particularly over the district courts.

There are four main points in the Chinese plan of revision. These include extending the scope of the functions of the procurate of the First Special District Court of the International Settlement and the Second Special District Court of the French Concession. Full control of the judicial police attached to those courts is sought by the Chinese authorities as well as control of the prisons within the two foreign areas. Finally, the abolition of all foreign lawyers from practise in the courts is being sought.

C.P.C. Member Makes Onslaught on Chinese Women's Fashions

That the Government should pass "Blue Laws" to regulate modern fads and fashions among Chinese women was advocated by Chen Chao-ying in a proposal submitted to the Central Political Council at Nanking September 22.

Mr. Chen's proposal is motivated by a two-fold purpose: first, to encourage the use of homespun cloth and, secondly, to curb certain "indecent" fashions which apparently have exersised quite disturbing effects on his mind.

Mr. Chen refers especially to sleeveless frocks, short skirts and the display of "panties," the last article, he says, being a noticeable feature in Chinese women's fashions this year. Mr. Chen does not have any doubt that such "indecencies" contribute to social degradation. His proposed remedies include "uniformity in dress."

For men he advocates Chungshan suits, which in his opinion are more or less modelled on European styles except that they are buttoned at the neck.

For women Mr. Chen is less specific, although he insists that their "limbs" should be "properly covered" and that only homespun material should be used.

His proposals have been referred to the Executive Yuan for approval. So far no reaction has been forthcoming from local women's associations, but *Reuter* says it is not expected that their silence is merely the calm before the storm.

New Chinese Insurance Company Starts Business in Shanghai

The Tai Shan Insurance Company, which has been promoted by prominent Chinese bankers and financiers, has opened offices at 2 Peking Road to write life, fire, marine and accident insurance. The new company was recently organized with a capital stock of $1,000,000 fullly paid up, the entire capital being divided into 100,000 shares of $10 each.

The directors of the company are Messrs. Hsu Sing-loh, chairman, Li Ming, C. S. Lieu, Wong Chi-yu, well-known cotton merchant; S. K. Shen and S. D. Ren, deputy directors of the Directorate General of Postal Remittances and Savings Bank; H. A. Pan, managing director of the Commercial Finance Corporation; James Lee, chairman of the Chinese Fire Insurance Association; C. V. Starr, M. Speelman and W. Y Loo, manager of the Life Department of the new company.

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Soviets to Recognize Manchukuo?

Soviet Russia is expected to extend formal recognition to Manchukuo on November 7, the anniversary of the Russian Revolution, it was stated in Japanese circles in Harbin Sept. 24. It was claimed that the Russo-Manchukuo agreement will be signed in Hsinking and that either the Soviet Consul-General at Mukden or at Harbin will sign for the Soviet Union. The same sources also asserted that M. Kazurofsky, Chief of the Far Eastern Bureau of the Moscow Foreign Office, would be made the first Russian ambassador to Manchukuo.

Soviets Deny Recognition Reports

A *Transocean* message from Moscow, Sept. 25 stated that Soviet political and diplomatic circles denied the Japanese reports that the Soviets intended to recognize Manchukuo.

Harbin Consul General on French Attitude

The statement that France will not support any policy of the League of Nations that will infringe upon Japan's rights and interests was made to Japanese press representative by L. Reynaud, French Consul-General at Harbin in an interview Sept. 24. It is reported that the Consul-General told the Japanese correspondents that France has no particular reason to protect the anti-Japanese attitude of China, but will co-operate with Japan in trying to prevent the spread of Bolshevism and to establish world peace.

According to a *Reuter* telegram from Paris, a French spokesman stated that "France stands by M. Briand's announcement with regard to Manchuria. She has never for a moment considered recognizing the "State of Manchukuo" and she will await the Lytton Commission's Report and will stand by the decision of the League of Nations. There is consequently no question of any change in France's policy in the Far East. Her attitude remains that of last autumn as defined by M. Briand."

Japan and Extrality

Japan is prepared immediately to surrender all her extra-territorial rights in Manchukuo, according to a statement made by a spokesman for the Japan Foreign Office at Tokyo Sept. 24.

As a result of the recognition of the new Manchurian regime, the relinquishment of special privileges will be made whenever it is proposed by Manchukuo, the spokesman said.

These statements were somewhat modified, however, by the added announcement that the surrender of extrality would come in the near future "if the Manchukuo Government completes its code, accomplishes reorganization of its courts and police department and also permits the free residence of Japanese in any part of Manchuria."

Manchukuo Recognition by Moscow Will Be a Blow to U. S. Policy

Russia's announced intention of recognizing the new Manchurian State of Manchukuo is viewed at Washington as a heavy blow at President Herbert Hoover's policy of non-recognition of the Soviet Union, Russian sources assigning the Moscow attitude towards Manchukuo in large part to the failure of the American State Department to seek an understanding with the Soviets. It is now reported that Russia and Japan may soon conclude a non-aggression pact, which it is felt would further weaken the position of the United States in the Pacific.

"League Position Not Unfavorable to Japan"

The Japanese Premier, Viscount Saito, who went to his Hayama villa for the week-end September 24, told the press that Japan would act in cooperation with other foreign Powers as much as possible and would not quit the League of Nations where, up to the present, the situation is not unfavorable to Japan.

Dr. C. C. Wu Says Japan Is Inconsistent

Dr. C. C. Wu, former Chinese minister to Washington, in a press interview last week branded reports that the Soviet is seeking friendly relations with Japan and Manchukuo as inconsistent. To prove his statement, Dr. Wu cited the mottoes of "down with imperialism" and "support the weaker nationalities" which, he pointed out, guide the policy of the U. S. S. R.

France Will Stand by League Covenant, Says British Correspondent

The Geneva correspondent for the London *News Chronicle* reported Sept. 22 that the French government has decided on a modification of its Far Eastern policy in relation to China and Japan. The correspondent says that this decision will mean the abandonment of France's "faintly camouflaged support" of the Japanese action, and that France in the future "will stand firmly by the League Covenant." He adds that the modification is due to the fact that France is insisting on strict application to the League Covenant in the armaments dispute with Germany.

Is America Bargaining with France on Manchukuo?

A *Reuter* message from London Sept. 21 stated that it is understood that Senator Reed, who is on a visit to London and Paris, hinted to M. Herriot, French Premier, that the United States would support the French veto on the German claim to equality in armaments in return for French support for the United States attitude with regard to the Far East. Senator Reed is one of the present administration's staunchest supporters in the Senate. Should he, therefore, be induced to support the League in any form of pressure against Japan the Senate might reasonably be supposed to follow him. Last year, it is pointed out in Washington, the correspondent goes, on United States co-operation with the League regarding Manchuria was handicapped by the Senate's refusal to co-operate. Although Colonel Stimson, Secretary of State, has refrained from commenting on Serator Reed's mission, it is believed in Washington that the latter has been instructed to assure the British Government of American support for the League in any decision it makes regarding Manchuria.

Soviet Navy Holds Maneuvers

Dirigibles and seaplanes played a conspicuous part in the autumn maneuvers of the Soviet Baltic fleet, which were held last week in the presence of Commissary of War Voroshiloff who had his quarters on board the battleship *Marat*. The maneuvers were carried through on the principle that Leningrad and Kronstadt were being attacked by enemy forces. To enhance the importance and significance of this year's practices every unit of the Baltic fleet has been mobilized. The Soviet press devoted much space to these maneuvers, intimating that they form a prelude to a strengthening of the Red navy.

Of the foreign participants in the maneuvers the most conspicuous was the Italian General Nobile, who was on board a dirigible, constructed in accordance with his designs.

Soviets Centralize Management of Siberian Railways

A recent telegram from Moscow stated that the administration of all Russian railways to the East of the Urals will shortly be centralized with the main office to be stationed in the city of Omsk. Deputy-Commissary of Transports Mironoff has been appointed head of the new unified railway system which, it is expected, will soon lead to a great improvement of the whole traffic system in the Eastern part of the Soviet Union.

Japan's Casualties in Manchurian and Shanghai Campaigns

According to an announcement of the Japanese War Ministry, made at Tokyo September 24 the total number of casualties suffered by the Japaneese forces in the Manchurian and Shanghai incidents up to the present are 3,279 killed and 2,321 wounded. The military authorities are now considering relief measures for the wounded, about half of whom are expected to become incapacitated.

Samuel Group Quits British Cabinet---Object to Ottawa Agreement

Sir Herbert Samuel, Home Minister, and his Free Trade Liberal colleagues in the National Government have served notice on the premier, Ramsay MacDonald, of their intention to resign. This action, long threatening since the National Government embarked on a protectionist policy, has now come to a head owing to the cabinet disagreements over the Ottawa accords.

Shipments of Beans Through Dairen Increase

A Dairen telegram states that the shipments of beans from Dairen for Europe are steadily increasing due to difficulties of transport facilities in North Manchuria owing to the recent flood. The shipments during the first 20 days of September reached the figure of 100,000 tons, almost double the amount in the same period of last year.

Soviets Say Real Purpose of a Disarmament Conference Should Be to Disarm

At the opening session of the Bureau of the Disarmament Conference at Geneva, Sept, 22 the chairman, Arthur Henderson, read out a letter from M. Litvinov, declaring that the Soviet Government had no intention of sending representatives from Moscow to participate in the work of the technical commissions unless and until the conference adopted serious resolutions providing for a reduction of existing armaments. During the discussion on the "plan of work" of the bureau M. Litvinov suggested discussion, in the first place, of the most important questions, particularly the question of a quantitative reduction of armaments. "This," he said, "is the only way in which it can be made possible for the German delegation to join again in the work of the conference, since Germany's refusal to participate is based upon the failure to achieve any results from the work of the conference to date." M. Litvinov proceeded to emphasize that the sole way to restore confidence in the Disarmament Conference was to center attention on the concrete proposals already made by both the American and Soviet delegations.

Mr. Wilson, of the United States delegation, proposed that in the first place the question of the limitation of the man-power of armies be taken up, but the Bureau adopted instead the proposal of M. Benes and proceeded to the discussion of minor questions first.

Geneva Arms Conference Concedes an Important Point to Japan

A *Transocean* telegram from Geneva Sept. 20 stated that the sub-committee for the reduction of armament expenditure, which sat behind closed doors, was reported to have passed a resolution conceding Japan's claim that all disbursements for the protection of Japanese lives and property shall be considered as extraordinary expenditure and not as part of the regular military budget. This decision followed a declaration by the Japanese delegate, Ambassador Sato, to the effect that Japan had been compelled to spend large sums in order to safeguard her interests in Manchuria and Shanghai and that these sums must not be included in the regular armament expenditure because that would create a misleading impression of military estimates.

[This is in line with the Japanese contention that the year's operations in Manchuria and Shanghai are not "war." Whether or not the inclusion of the cost of these operations would create a misleading impression, as Japan claims, the fact is that the bulk of Japan's military expenses have gone towards the Manchurian and Shanghai campaigns.—Ed. *C. W. R.*]

French Premier Attacks German Arms Demand

A warning against a repetition of the former "follies of the world" by allowing Germany to re-arm was uttered by M. Herriot, the French Premier, in a speech at Gramat Sept. 25. Affirming that France was most passionately interested in peace, the Premier reminded his audience that the French army had been reduced by 527 officers and 43,000 men in the current year, whereas it was manifest that there was an agreement between the German demands and the published writings of military technicians of undenied authority and this led to the belief that Germany was seeking to organize a very powerful modern army, designed not only for defence but adapted for aggression.

Oregon Governor Wants to Send 25 Million Bushels of Wheat to China

Governor Julius L. Meier of the state of Oregon (U.S.A.) announced on September 23 that he had approached the Reconstruction Finance Corporation asking that G.$12,000,000 be provided in credit to enable the Chinese Government to purchase 25,000,000 bushels of wheat grown in the Pacific Northwest area.

Arthur M. Hyde, Secretary of Agriculture, and other officials representing the Department of Agriculture, the Federal Farm Board and the Reconstruction Finance Corporation conferred with President Hoover at the White House Sept. 25 and discussed the prospect of the sale of wheat as above mentioned to China. According to the present plan, the Reconstruction Finance Corporation would have to finance the sale, which would involve an expenditure of about G.$8,000,000. No decision was reached at the conference

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Men and Events

F. Polleti, former postal commissioner at Mukden, was due to arrive at Nanking at the end of this week.

Swan, Culbertson and Fritz, investment brokers in Shanghai, announced that Myron Simon has joined their organization.

Mrs. Woodrow Wilson, the widow of the late President Wilson, arrived in Japan September 21, where she will stay for a month or so.

L. R. Hall, Associate Executive Secretary of the Navy Y.M.C.A. has returned from Chefoo where he was in charge of the Navy Y. M. C. A. Branch during the summer.

The Shanghai Police during the week raided a small Chinese printing shop in Amoy road where counterfeit Shanghai Race Club sweepstakes tickets were being printed.

Admiral Sir Howard Kelly, commander-in-chief of the British China Station, was the guest of E. M. B. Ingram, the British charge d'affaires, in Peiping, during the week.

Six native banks in Canton were closed up at the beginning of the week as a result of losses incidental to speculation by the bankers there on the exchange rate of Hongkong money.

Liu Ching-Hua, a student from Honolulu, was drowned while swimming in the Summer Palace Lake at Peiping September 24 during the annual outing of the students of Yenching University.

Mrs. Ma Chan-san, wife of the intrepid Manchurian general, arrived in Shanghai this week where she joined her son Ma Kuei, who is actively soliciting funds for the troops under the command of his father.

Hardy Jowett of the Asiatic Petroleum Company has been elected president of the Anglo-American Association of Peiping for the ensuing year, with H. R Ekins, of the *United Press* as honorary secretary and treasurer.

Mr. and Mrs. Li Ming will depart from Shanghai for Singapore on the Italian liner *Conte Rosso*, sailing October 7. Their daughter Bessie is taking passage by the same steamer for England, where she will continue her studies.

Pao Kuan-cheng, Manchukuo Ambassador to Japan, the first diplomatic representative that Manchukuo is sending to foreign countries, together with Mrs. Pao and his suite, departed from Changchun for Japan September 28.

Hiroshi Saito arrived in Washington September 28 to assume his post as Acting Ambassador of Japan to the United States, succeeding Mr. Debuchi, who has been recalled to Tokyo. Mr. Saito had previous experience in America as Japanese Consul-General at New York.

More than 12,000,000 Methodists realized the dream of decades in a ceremony at Albert Hall in London Sept. 20. at the signing of a settlement contract which unites Wesleyans, United Methodists, and Primitive Methodists, thus forming the largest Protestant church in the world.

The *Deutsche Shanghai Zeitung*, a new German daily newspaper, made its appearance in Shanghai during the week. The editor is Captain Max H.H.F. Simon-Eberhard, former adviser to the Nanking Government, and latterly Peiping correspondent of a number of German newspapers.

Admiral Wu Chen-nan has been appointed director of the Coast Guard Administration and acting chief of the Hydrographic Department of the Chinese Navy, by the Ministry of Navy, to succeed Rear Admiral Wu Kwang-tsung, who was assassinated at his home in Shanghai last week.

The waters of the Yellow River at Shantung rose again September 25 after having remained at a safe level for over a month. At Lokow, opposite Tsinan, the river registered a height of 29 58 meters. As a result of the sudden rise, various districts on the upper reaches of the river are endangered.

A train-ferry costing £70,000, built for the Chinese Government through the Chinese Purchasing Commission, will be launched at Newcastle, England on October 12 by Mrs. Quo Tai-chi, the wife of the Chinese minister. The ferry is named *Chang King* and will proceed to Nanking under her own steam.

The International Telephone and Telegraph corporation announced after the meeting of its Board of Directors on September 15, 1932, that the Corporation and its Associated Companies for the six months ended June 30, 1932, had net earnings of G.$5,552,092.66. It was also announced that while substantial reductions were effected in operating expenses, gross revenues continued to decline at a more rapid pace.

Direct express services between Hsuchow and Tungkwan, the present western terminus of the Lung-Hai Railway, is to be operated as from October 1, according to a revised schedule issued by the Railway Administration. Heretofore, there has been no express through train between Hsuchow and Tungkwan.

In accordance with a proposal of the Ministry of Industry, the Executive Yuan has decided to dispose of the Government interests in the Liehchan Colliery at Suhsien, northern Anhwei, to private shareholders. The funds thus obtained are to be devoted exclusively to the projected Government Machinery Works at Pukow.

Prof. Ben Dorfman of the department of economics of the University of California who has been serving as a technical expert on the staff of the Lytton Commission, has returned to Manchuria for a further tour of investigation. Prof. Dorfman will then proceed to Shanghai and South China, following which he will return to California.

Mrs. Rainsford S. Miller arrived in Japan from the United States September 21, bringing with her the ashes of her late husband to be interred in the Yokohama Foreign Cemetery. The late Mr. Miller had been closely associated with Japan and Korea in both the diplomatic and consular services, covering a period of many decades.

An office has been established at Woosung by the Fishing Protection Corps of the Kiangsu and Chekiang Sea-fishing Trade Control Bureau with an officer-in-charge and 10 assistants with two small patrol boats armed with two one-pounders and a crew of 40 men. The Corps functions in the vicinity of Woosung and the Yangtsze mouth.

Prof. Frank L. Martin, dean of the school of journalism of the University of Missouri who is now an exchange professor at Yenching University, Peiping, will sail from Shanghai in November on his return to the United States, proceeding by way of Europe. Prof. Martin together with Mrs. Martin and their son plan to spend a few days in Shanghai prior to sailing on November 10.

Telegrams from Nanking during the week stated that the Noulens couple who had been sentenced to life imprisonment for their Communist activities had expressed themselves as being resigned to their fate. Other telegrams hinted that in due course they would be pardoned, active efforts towards which end are being made by Mrs. Sun Yat-sen, widow of the founder of the Chinese Republic.

Stirling Fessenden, who left Shanghai a few weeks ago for Honolulu to recuperate, arrived back in Shanghai during the week by a Japanese steamer. One of the first items of business being taken up by him is the question of extra-Settlement roads. It was reported recently that the Japanese authorities had withdrawn their objections to the return of Chinese authority over these roads.

Yung Wei-fang, a youth of 16 years of age and a member of the "Bloody Group for the Extermination of Traitors," was sentenced to three months' imprisonment by the First Special Court September 22. He was found guilty of intimidation and illegal use of explosives. It is understood that Yung will appeal to the Second Branch of the Kiangsu High Court for a reversal of the sentence.

Brigadier-General Weng Chao-huan, Commander of the 156th Brigade of the 78th Division attached to the 19th Route Army, who will be remembered for his stubborn defence of the Woosung Forts during the Sino-Japanese hostilities at Shanghai, will shortly proceed to America on behalf of Gen. Tsai to thank the overseas Chinese who contributed funds so generously to the 19th Route Army, and to make a personal study of military affairs in the United States.

Congressman Butler B. Hare of South Carolina, chairman of the house committee on insular affairs, was due in Shanghai September 30, on the President *Wilson*, enroute to Manila, where he expects to remain for several weeks. Congressman Hare is accompanied by William P. Bowers, secretary of the Insular Affairs Committee. Mr. Hare will make investigations bearing on the subject of granting independence to the Philippines, bills for which are pending both in the House and in the Senate.

A *Kuo Min* message from Tsingtao, Sept. 25 gave details of a dastardly assault when had been perpetrated on a Chinese staff member of the Kiaochow Maritime Custom the previous day by a Japanese. The Customs officer, Sun Hsueh-tseng, is now lying in hospital in a serious condition with four knife wounds in his head and his left shoulder. While Sun was leaving office, his assailant suddenly threw lime in his eyes and attacked him with a knife. The Japanese was arrested and handed over to the Japanese consular authorities.

A British woman, Mrs. Sullivan, was killed at Chittagong, India, September 25, when ten armed Bengalis, flung a bomb at a roomfull of dancers.

The new Italian Minister, Count Ciano, son-in-law of Signor Mussolini, presented his credentials to the National Government at Nanking September 27.

Dr. Wm. K.H. Yen, optometrist and optician, announces the removal of his office from room 124 Sassoon House to room 420 third floor of the Continental Emporium building, 229 Nanking Road, Shanghai.

J. W. T. Mason, journalist and author, and Dr. Willard G. Bleyer, director of the school of journalism of the University of Wisconsin, arrived in Peiping recently and are paying a visit to Yenching University.

A silk filature strike which affected six establishments in Hongkew (Shanghai) was settled during the week on the understanding that only eleven hours (instead of twelve) should constitute a day's work. The employees are women and girls.

The Central National University will be officially opened for the fall semester at Nanking on October 3. Among the new professors engaged by the University are a Swiss and a German, who are exchange professors loaned by the League of Nations.

Li Cheng, the new chancellor of the National Normal University at Peiping, has issued an order that no male visitors should be allowed on the premises of the dormitories for female students. The male stulents now speak of the women's dormitory as "forbidden ground."

C. H. Ahn, veteran Korean revolutionist recently arrested in Shanghai, is reported to be studying in his cell at Seoul pending his trial. Many attempts on the part of prominent lawyers in Korea to defend Ahn have been futile as he refuses to have any legal aid on the ground that his revolutionary work is part of his religion and needs no defense or explanation.

Eighty Million Dollar Steel Plant to Be Built Near Wuhu

The negotiations which have been in progress between the Ministry of Industry at Nanking and "a German financial group" for the establishment of an $80,000,000 steel plant in China have been concluded. It is understood that site of the proposed plant will be at Ma An Shan, near Wuhu, where a rich vein of iron ore has been found.

It is planned to construct a plant capable of a daily output of 500 tons. Herr Wedenmeyer represents the German group and Huang Chang-tao the Ministry of the Interior.

Manchuria Proposes To Build Huge Steel Foundry

Establishment of a huge steel foundry at Anshan, Manchuria, with a capital of about Yen 100,000,000 is expected to materialize soon, according to plans revealed at Dairen last week.

The plant, which will be known as the Showa Steel Works, will produce 400,000 tons of steel annually if present plans fully mature. Mr. Godo, member of the Board of Directors of the South Manchuria Railway, has gone from Dairen to Japan to negotiate with the Government regarding the matter.

S.M.R. to Increase Capital

A tentative agreement has been reached by the South Manchuria Railway Company authorities to increase its capital. The proposal will be submitted to the forthcoming session of the Diet for approval. It is understood the present capital will be increased to something like 1,000,000,000 Yen. With this large fund, the company intends to undertake developing various enterprises, including the Showa Steel Works, also sulphate of ammonia and bean oil enterprises which have been contempleted for many years.

W.C.T.U. of China to Make Drive for New Members

Mrs. Frank Lee, wife of the former vice-minister of foreign affairs, Mrs. P. W. Kuo, Mrs. David Z. T. Yui, Mrs. C. C. Chen, Mrs. Shu Chien, and Mrs. Herman C. E. Liu are at the head of a committee which is making a drive for new members for the Women's Christian Temperance Union of China. The date set for the Shanghai drive will be October 10, the 21st anniversary of the birth of the Chinese Republic. More than 200 energetic women have been enlisted to solicit new members. They are being divided into twenty teams, named after the aims of the union such as Freedom, Justice, Philanthropy, Prohibition, Peace, Anti-opium, Emancipation, etc.

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In the United States Court for China

In re.
LAST WILL & TESTAMENT
of
MALKAH HARRIS SHEEKS
Deceased

Cause No. 3463
Special Proceeding No. 798
NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of MALKAH HARRIS SHEEKS, deceased, to present the same with vouchers to the undersigned on or before March 17, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

George Le Mar Sheeks
Executor
47 Peking Road
Shanghai.

Shanghai, China,
September 9, 1932.

In the United States Court for China

In re.
Estate
of
PERCY DICKSON WEBB
Deceased

Cause No. 3472
Special Proceeding No. 797
NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of PERCY DICKSON WEBB, deceased, to present the same with vouchers to the undersigned on or before March 24th 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

CHAUNCEY P. HOLCOMB,
Administrator
12 Kiukiang Road,
Shanghai, China.

Shanghai, China.
September 19, 1932.

Who's Who in China

謝 扶 雅

Nai-zing Zia (Hsieh Fu-ya)

Nai-zing Zia, university professor and writer; born at Shaoshing, Chekiang, June 27, 1892; graduated from the Tung-Wen Academy, Tokyo, 1912; St. Paul's College, Tokyo, 1916; University of Chicago, U. S. A., 1925 and Harvard University, 1926; secretary of the National Committee of Chinese Y.M.C.A., 1917-25; associate professor of philosophy, Lingnam University, Canton, since 1927; author: "Education for Personality," "A Philosophy of Religion" "Chinese Ethical Ideas," "Reflections on America"(already published); "A Philosophy of Life" and "Out line of Christainity (under printing); address; Lingnam University, Canton.

謝扶雅，年四十歲，浙江紹興人，初留學日本，畢業於東京同文學院及聖保羅大學，繼赴美從事深造，入芝加哥大學及哈佛大學，畢業回國後，任中國基督教青年協會幹事共九載，自一九二七年以至今茲，任廣州嶺南大學哲學助理教授，謝君著作頗富，其已聞世之書籍，爲人格教育論，宗教哲學，中國倫理思想，遊美心痕，其在印刷中者，有人生哲學及基督教綱要等書，通信處，廣州嶺南大學。

Slavery in Central China and Elsewhere

The Slavery Report presented to the Council of the League of Nations states that slavery on a serious scale still prevails in parts of Arabia, Abyssinia and possibly remote parts of Central China, but organised large-scale slave-trading such as was common only 30 years ago in Africa has completely disappeared as the result of the combined efforts of European and Colonial Powers.

The report says, however, that most Governments have only abolished the legal status of slavery, but have not immediately proceeded to compulsory manumission.

On the question of the Mui Tsai system, prevalent in South China, the Report finds the evidence conflicting. It suggests the establishment of a permanent advisory commission to discuss methods aimed at the total abolition or transformation of existing forms of slavery.

China Takes Measures Against Slavery

Nanking messages state that a set of measures aiming at the abolition of juvenile slavery throughout China has been made public by the Ministry of Interior. According to these measures, the various municipal and district authorities are to make a thorough investigation within their respective jurisdictions. "Slave-owners" should be required to free their girl or boy slaves immediately. Should such slaves be voluntarily desirous of contanuing in the service of their "owners," their status should be changed to that of employees and they should be entitled to wages for their services and to terminate their employment as in the case of ordinary servants or employees.

Slave-owners who refuse to set their slaves free in accordance with these measures will be prosecuted according to the provisions of the Criminal Code, and will be further liable to a fine of not more than $300.

New Books of Interest in the Far East

The Life Story of the Most Dramatic Queen of History

Catherine the Great, a biography by Katharine Anthony. Garden City Publishing Company, New York.

This is the compelling story of a portionless princess of the small German municipality of Anhalt-Zerbst who rose by her own efforts to be Her Imperial Majesty, Empress of All the Russias and, quite incidentally, she was the first of the Czar rulers to demand for herself such a title.

At the age of fifteen this very plain but intelligent little German princess was commandeered by the Russian Empress Elisabeth to marry the impotent and weak-witted Grand Duke Peter, an honor which all other branches of the royal family in Europe declined, as princesses seemed more than occasionally to disappear into thin air in the huge, uncivilized country of the Slavs. The story of her rise to power—over the body of her husband Peter III, murdered by Catherine's own henchmen—is one of the most dramatic chapters in world history.

She was the Grand Duchess Catherine who learned horsemanship astride in order that on the evening of June 28, 1762, she might take her place as Colonel of the Guard on a prancing white charger, and with oak leaves in her hair lead a triumphal procession to Peterhof to compel the abdication of Czar Peter.

She was the parvenu monarch Catherine whom the maritally virtuous Maria Theresa would call by no more dignified title than "cette femme," yet of whom the great Voltaire declared himself "her knight toward and against all." Feared by Frederick the Great, admired above all other women by Voltaire, Diderot, D'Alembert, Prince Henry of Prussia, she was truly the sturdy figure of a woman as well as a queen.

She was Catherine the Great who studied Machiavelli and Montesquieu, and combining her new ideas of statecraft with the ancient code of Czar Alexei, worked three hours every morning for more than three years preparing a project of a new code of laws for her empire, which originally abounded in high-thinking democratic ideals making possible the gradual abolition of serfdom, although the legislative session blue penciled this feature of it.

She was the Little Mother of Russia whose campaign against smallpox commanded the respect of all Europe (she herself was first to submit to the dread experiment of vaccination); who gathered about her the best of known science and medicine during the years of her reign, yet finally went back to black magic in the hours of her own illness.

She was the royal Catherine who united all the Russias, made Constantinople mosques quake before the sound of marching boots from the steppes, made one of her lovers King of Poland and then partitioned that unfortunate country practically to her own satisfaction.

She was Catherine the Woman who was as susceptible to a swaggering uniform as any German fraulein; who was reputed throughout Christendom as having had three hundred lovers, although really there were only twelve—all of them tall, well-built, military, and entirely unintellectual—for which the Great Catherine could find no excuse other than human frailty in the face of temptation; the plain but prepossessing woman extremely vain of appearance, who never turned her hairdresser back once except on the eventful day when she met him as she galloped to seize her husband's throne; who drank every morning five cups of the strongest coffee ever attempted for which her cook used one pound of the caffeine berry, and used snuff in such vast quantities that it was almost "audible" to anyone in the same room with her.

This biography is from the pen of Katharine Anthony, undoubtedly the greatest woman writer in this line and the most accomplished exponent of biography in America, whose "Margaret Fuller: A Psychological Biography" marks the historic beginning of modern biography in American literature. This, followed by "Queen Elizabeth" and "Catherine the Great" has caused her to be hailed as a Lytton Strachey, none less.

Unlike most woman writers, she has a rare insight into the heart of a woman (and all women's hearts are alike) and has grasped the very significant fact that most of their inexplicable conduct can be traced to the most fundamental simplicity of emotion. Miss Anthony is said to be greatly interested in the feminist movement of modern women and

in the study of what its ideals should be. Her interpretation of the lives of great feminists is a very valuable contribution to the movement.

As a biographer Miss Anthony has as great respect for fact as a Boswell There is no phantasying with her subject. Yet she is not a chronicler of events but the creator of art. Her studies of character and analysis of life conduct have design, imposing upon the chaos of the lives of her subjects a pattern made by the dominant factors of their lives' events. In this interpretative psychological biography, there is, of course, no prejudice toward moral codes. Miss Anthony does not attempt to estimate the Great Catherine in the light of 20th century ideas. It is sufficient that she was great in her day. Now that we have presumably discarded the hero-worshiping Victorian mind against which Carlyle was constrained to rail, we feel that sufficient unto a man is the good thereof. In commenting upon the changed ideas of the contemporary biographer which reflect this attitude, Miss Anthony remarks that "the modern mind is surprised, not by the evidence of failure, but by the persistence of ideals and the occasional approximate success. We no longer ask that our heroes be free from human defects; instead, we are glad to be reminded that human nature, with all its defects and limitations, is capable of assuming heroic stature."

H. F.

The One-sidedness of Individual Christianity

The Christian Ideal and Social Control, by Bishop Francis J McConnell University of Chicago Press; 1932; 171 pages; G$1.75. Six lectures delivered in India in 1930-1, on the Barrows Foundation, which exists for the conciliatory presentation to thoughtful Indians of the truths of Christianity.

There is nothing theological or specially addressed to Indian thought in this book, It is a successful attempt to show that purely individualistic Christianity is one-sided and that Christians have to think and act about social questions. Bishop McConnell starts from the constant tension between social ideals—which for him are Christian ideals—and the hard world of fact. The problem of every thoughtful man is to get these two into some sort of harmony. Neither the dreamer nor the pessimist help much. Human progress demands straight thinking, patience and perseverance Socially, this means the gradual "baptism of institutions into the spirit of Christ". The bishop proposes no curealls or short cuts to Utopia; and he is wisely cautious about direct social action by the organized churches. The book is sane and happily written; and will prove a useful searchlight for the social eye of the man whose mind is alive to the contrast between society as it is and what it ought to be.

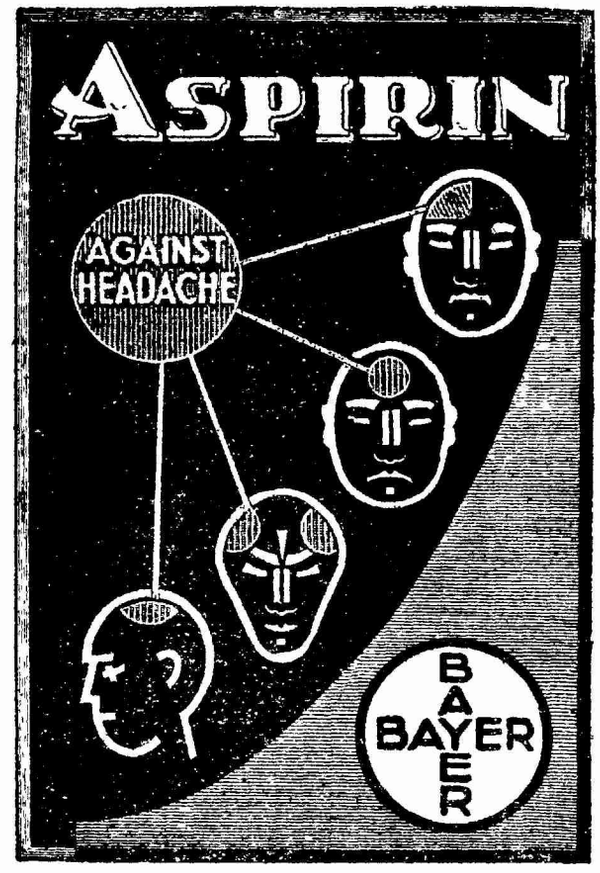
J. W. N.

The Educational Task in India

Christian Education in India, by Sir George Anderson and the Rt. Rev. H. Whitehead. Macmillan.

The educational task in India is sufficiently like in China to make such a study as this of real interest in this country. As in China, "the missionaries do not regard the secular teaching which they give merely as affording an opportunity for teaching Christian truth to a certain number of the intelligentsia. They have from the first been concerned with the welfare of Indian education, have played a large part in directing it, have given and are giving unstinted service to it for its own sake." But the great numbers of Non-Christian students in the missionary schools and the small precentage of Christians (26% in Southern India and less than 6% in Northern India) have made it difficult or impossible to maintain high Christian standards intellectually or morally. Moreover the poverty of the great mass of the students and the pressure to pass university examinations which are generally the qualifications demanded for employment in government and commercial positions have resulted in the creation of a "slave mentality." The students depend on dictated notes and memorized information, while their curiosity and power of judgment are relatively undeveloped and their knowledge is unrelated to the life of their people. Consequently the authors, well-qualified and intelligent men, suggest that Christian schools should break away from the university system, should aim at preparing teachers and leaders of the agricultural population, and that there should be a few small but excellent schools, the majority of whose students are Christians, rather than many large but mediocre institutions full of those indifferent to all scholarly and spiritual interests. Thus they would contribute greatly to what is the true aim of Christian schools, the building up of the Christian community.

M. H. T.



Maintaining Health in Children's Institutions

In places where there are large numbers of children of all ages such as the orphanages organised in many parts of the East by benevolent individuals and societies, health demands constant care and watchfulness.

Little ones' stomach and bowels soon get out of order, and unless the symptoms are noted immediately and corrected, serious illness may easily develop.

Every year more and more people are discovering the excellence of Baby's Own Tablets for the ailments of babyhood and childhood.

In China, at The Home of the Nazarene Children's Orphanage, Chinkiang, Kiangsu Province, Baby's Own Tableto are relied upon for the correction and prevention of ill-health among the large number of children cared for in that Institution by the Rev. J. W. Bovyer and his wife. Mrs. Bovyer recently wrote. "We are very grateful for Baby's Own Tablets which we are using with excellent results among the children of this Orphanage. Not only are we finding these tablets of great value for the prevention and correction of the children's stomach and bowel troubles and to keep them clear of worms, but they have the additional advantage of being easy to administer because they are pleasant in taste and appearance."

Baby's Own Tablets are also especially valuable during teething. They ease the pains immediately and thus enable baby to obtain health-giving sleep. Pure, harmless and efficacious, Baby's Own Tablets are guaranteed to contain no narcotic elements. All chemists can supply you.

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Recent Publications Received

The Y.M.C.A. Year Book for 1931 just published shows that the Associations reported direct program contacts to the number of 6,866,289, totalling 11,935,095 hours during the year. The program contacts have been not only with the "Y's" own membership, some 36,215 in 1931, but also with large groups of under-privileged as well as with the students all over the land.

The Seventh Day Adventists, who conduct the Shanghai Sanitorium and many similar institutions in various parts of China, have issued from their printing establishment here a handsomely illustrated brochure entitled "Survey of Progress" describing their activities in various fields.

READERS of *The China Weekly Review who* may be interested in obtaining copies of any books which have been reviewed in these columns, may obtain them by sending their orders in care of *The Review*....If obtainable in Shanghai the books will be mailed immediately at retail prices prevailing in Shanghai, plus postage, or if not obtainable here, they will be ordered from the publishers abroad. Send orders or inquiries to Book Editor, *The China Weekly Review*, 38 Avenue Edward VII, Shanghai.

American Election Campaign Becomes Heated

The election for the President of the United States will take place November 8, the law (not the Constitution) stating that the election shall take place on the first Tuesday after the first Monday in November. The electioneering both on the Republian and Democratic sides has of late become rather "hot."

The Democratic candidate, Franklin D. Roosevelt, making a tour through the West, has been making slashing attacks upon the administration of President Hoover. Governor Roosevelt declared in his speches that his challenges to the Hoover Administration were going unanswered because the Republicans dare not take up the gage in defence of their stewardship in this time of national crisis. In a speech at Seattle, September 21, Mr. Roosevelt said that in case he is elected President of the United States, he will convoke a conference to deal with silver problems.

Governor Roosevelt in his speeches demanded that the Government propound what he termed an "economic declaration of rights" for the protection of the citizenry. He said that such a declaration was imperative in order to curb the rapidly growing power of the great corporations. He asserted that something over 600 corporations control two-thirds of all American industry, the remaining third being comprised of ten million small business men. Senator Hiram Johnson, progressive Republican of California, has voiced approval of the New York Governor's liberal leanings. "Governor Roosevelt's attitude is a sharp contrast with that of President Hoover," Senator Johnson said.

It had been originally intended that President Hoover would remain in Washington and not take part personally in the electioneering. But the reports from his friends as to sentiment in the West have been such as to induce Mr. Hoover to change his mind, and the latest advices are that he will proceed to the Northwest in the near future and make speeches in defense of his administration and asking for re-election.

Social Bureau to Lend Money to Rebuild Chapei

Financial assistance for Chinese merchants and residents of Chapei desiring to rebuild their premises destroyed during the hostilities at the beginning of this year is now obtainable through the Rehabilitation Committee of the War Zone, and certain regulations have been drawn up to cover the granting of such loans. The money-lending department will be under the direct control of the Social Bureau, which is prepared to lend money on reasonable terms.

Bandits in Hung Hu District Being Exterminated

Returning to Hankow by airplane Sept 24 from the front, General Ho Cheng-chun, Director of the Hankow Pacification Headquarters and concurrently Field-Commander of the Left Wing Bandit-suppression forces, stated that under the personal direction of General Hsu Yuan-chuan, Deputy Commander of the Bandit-suppression forces at Hsinti, the remnant brigands in the Hung Hu (Lake) region are being gradually exterminated. The notorious Ho Lung and 3,000 of his followers have now fled to Paokang, western Hupeh.

Accompanied by General Kuo Ping-sheng, the repentant "Red" general who has been made Commander of the newly organized 37th Division, General Wu Chi-wei, Commander of the 4th Army (Ironsides) and concurrently Commander of the 60th Division, arrived at Nanchang from Hsinkan, central Kiangsi, September 24. A dinner in honor of the two generals was given by General Hsiung Shih-hui, Chairman of the Kiangsi Provincial Government, and General Ho Kuo-kwang, Chief-of-Staff to the Commander-in-Chief's Headquarters of the bandit-suppression forces for the Kiangsi-Kwangtung-Fukien border regions. After reporting on the bandit-suppression campaign, General Wu stated that General Kuo Ping-sheng, having served under the notorious Peng Te-huai for the past four years, had now joined the Government fold. General Kuo emphasized the demoralization of the "Red" armies and expressed his determination to do his utmost to crush the outlaws.

Reporting on the important capture of the town of Chinchiachai, the last "Red" stronghold on the Anhwei-Honan border, General Wei Li-huang, Commander of the 14th Army, in a telegram to Nanking September 24 stated that his units had raided a number of important "Red" organs in the town, including the so-called Honan-Hupeh-Anhwei military affairs committee, the soviet provincial government, war department, political affairs academy, commissariat, arsenal, paper mill and mint, besides the seizure of an enormous quantity of ammunition and food supplies.

In recognition of their energetic efforts which have brought about the capture of the "Red" strongholds of Huangan, Chiliping, Yangchiahuai and Chinchiachai, General Chiang Kai-shek, Commander-in-Chief of the Bandit-suppression forces for the provinces of Honan, Hupeh, and Anhwei, besides sending a commendatory telegram, has made an award of $10,000 to the 10th division under General Li Mo-an attached to the 14th Army under General Wei Li-huang.

Prof. Sperry Honored by Chinese

In commemoration of the twenty-one years' service and in celebration of the 75th birthday of Prof. Edwin A. Sperry, the Mining and Metallurgical Engineering Association of the National Peiyang University at Tientsin has published a Special Souvenir Edition in honor of the American professor. Upon his retirement from the University last June, Prof. Sperry, a native of Chicago and a well-known American mining engineer, was invited to China in 1911 and was appointed professor of metallurgy at the Peiyang University at Tientsin (then known as the Chinese Government University). Since that year, Prof. Sperry had loyally and unflinchingly served the school for twenty-one years amidst all kinds of difficulties and worked under adverse and even intolerable conditions, as Mr. Thomas E. Mao, former president of the University, expressed in his appreciation of the American teacher. During his long term of service, Prof. Sperry had trained hundreds of Chinese mining and metallurgical engineers who are now opening up the mineral resources of China and unearthing China's wealth. Prof. Sperry's marvellous capacity of imparting knowledge and leading students to paths of research and his sincere and congenial personality had endeavored him to all his pupils and colleagues of the University. In appreciation of all these rare qualities and his contributions, the University has published this souvenir edition for him.

The Edition is prefaced by Dr. Kiusic Kimm, professor of the Peiyang University and formerly professor of the Futan University at Shanghai. Appreciation and commendatory remarks were expressed by many prominent people, including Chou Ta-wen, director of the Kailan Mining Administration; Chao Tien-lin and Thomas E. Mao, ex-presidents of the University; Yen Chih-i, ex-commissioner of Industry of Hopei Province etc. The edition also includes a picture and biography of the honored professor and a number of articles by him and others which deal mainly on the subject of mining and metallurgical engineering.

Huge Seizure of Opium in the French Concession

Opium worth approximately one million dollars was seized by the Customs authorities September 23 from the wharf of the China Merchants' Steam Navigation Company, situated on the French Bund. The opium was contained in 50 wooden barrels, each weighing about 700 pounds. They were landed at the wharf from the s.s. *Kiangdah* of the China Merchants' Steam Navigation Company, which had arrived on that date from Hankow. The drug had been shipped as sugar. The truth was discovered by wharf coolies, who when they broke the corner off a barrel in order to steal some sugar found opium instead. The discovery of the opium was reported to the Chinese police authorities, who immediately rushed to the scene. The police in turn communicated with the Customs authorities who seized the contraband.

The opium, it has since been learned, was loaded on board the ship at Tungchow in North Kiangsu on the Yangtsze River when the ship was on its way to Shanghai. It is estimated that altogether about 430,000 ounces of opium were seized. As the present market price for each ounce is $2.40, the total amount involved was estimated at more than $1,000,000.

Large Seizure of Morphine—Concealed in Eggs in Cargo

Morphine, valued at more than $500,000, was discovered by Customs officials on the Jardine, Matheson & Co. steamer *Siangwo* on the afternoon of September 26 off the Shanghai and Hongkew Wharf. This huge consignment of narcotics with an estimated weight of half a ton, was done up in packages hidden among egg baskets. The morphine was covered by a bill of lading and passed the Hankow Customs. The Customs have received hints that other similar lots of narcotics are on the way from Hankow.

Alleged Opium Monopoly

In a declaration to the various public bodies in Kiangsu Province September 23, the National Anti-Opium Association charged that the open opium traffic in the province is heavier than ever following the enforcement of the opium monopoly in the province. Despite the official denials, special bureaus for the sale of the drugs have been opened in Chinkiang, Changchow, Soochow, and Wushih. The province has been divided into 61 districts for open sale, and it is estimated that monthly revenues will amount to more than $300,000. According to reports, large quantities of opium have been brought to Shanghai from Hankow and ports in Szechuen during the last few weeks since the enforcement of the monopoly.

Chinese Real Estate Man Shot Dead by Gangsters in Shanghai

Li Tze-ching, general manager of the K. B. Lieu Real Estate Office at 6 Szechuen Road, was fatally shot in the head and chest by a gang which tried to kidnap him in his own motorcar in the Yangtszepoo district of Shanghai on the morning of September 24. He succumbed to his wounds at the St. Luke's Hospital at 5 o'clock the same afternoon.

The incident took place when Li, together with his son and an engineer, was visiting a new building under construction on Liaoyang Road. He was just coming out of the building, when three gangsters appeared, pistols in hand, and forced him to his private car waiting outside, one of the gang driving the car after the chauffeur had been shot.

As the car was approaching the corner of Kunmin and Liaoning Roads, Mr. Li called out loudly for help to the pedestrians in the street. One of the kidnappers thereupon raised his gun to Mr. Li's head and fired point blank followed by another shot to the chest. Without stopping the car, the two men in the back seat threw the body of Mr. Li to the side of the road and were soon lost in the traffic. The kidnappers abandoned the motorcar used in the death ride on Kiangwan Road. No traces of their whereabouts were found by the police.

Shanghai Kidnapper Executed

Zang Wei-shing, a member of the gang which kidnapped Lu Say-dong on Kiukiang Road May 12, 1932, as the victim was being driven to office in his motorcar, was executed at Tsaohoching prison in Chinese territory near Shanghai, September 24. The condemned man was sentenced to death by the second Branch Kiangsu High Court after his trial, his appeal being dismissed by a higher tribunal. The condemned man said that he arrived here after the floods in Hankow and had taken only a small part in the kidnapping.

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NOTICE

To Subscribers

(Residing Overseas)

Dating from August 1, 1932 the subscription rate for persons residing outside of China has been reduced from G.$10 a year to G.$8 a year, including postage.

The new rate applies to subscribers residing in the United States, Canada, Europe and Russia.

The new rate, estimated in the currency of the Federated Malay States is equivalent to s. s. $15. In India, Australia and other places using English currency the rate is equivalent to £2:8:0.

The China Weekly Review

38 Avenue Edward VII

Shanghai.

CUSTOMS NOTIFICATION

(No. 1242)

IN accordance with the instructions of the Government, the public is hereby notified that, in view of the occupation of Manchuria by Japan, the National Government is unable temporarily to collect the lawful Chinese Customs revenues at the Manchurian ports and instructions have been issued that the Custom Houses at Harbin, Newchwang, Antung and Lungchingtsun are to be closed on the 25th September, 1932, and remain closed until further notice, and that Customs duties which should legally be collected at those ports will temporarily be collected at other Chinese ports.

The duty treatment of cargo shipped to the above ports will accordingly be as follows:—

NATIVE GOODS:
(INCLUDING FACTORY PRODUCTS) No change.

FOREIGN GOODS: N.C. and D.F.O.I. CARGO: No change.

"TO PAY" CARGO: To pay import duty at port of shipment.

NON-DUTY-PAID TRANSHIPMENT CARGO: To pay import duty at port of transhipment.

CARGO EX BOND: To pay import duty at port of shipment.

The duty treatment of cargo on arrival from any of the above Manchurian ports will be as follows:—

NATIVE GOODS: To pay Interport Duty and Interport Surtax.

FACTORY PRODUCTS: To pay Factory Products Taxes and Surtaxes which would normally be collected at the above ports.

FOREIGN GOODS: To pay Import Duty.

Owing to the failure of the Japanese Authorities to permit the Chinese Customs to function in the Kwantung Leased Territory in accordance with the Dairen Agreement, it is impossible for the Customs to ascertain the provenance and destination of cargo from and to Dairen,—therefore, the following duty treatment will apply:—

CARGO TO DAIREN:

NATIVE GOODS: To pay export duty.

FACTORY PRODUCTS: Irrespective of ultimate destination, to pay Factory Products Tax.

FOREIGN GOODS: Same duty treatment as for other Manchurian Ports. (See above).

CARGO FROM DAIREN: All cargo to pay import duty.

The relative Revenue and Flood Relief surtaxes will also be collected.

Customs documents covering cargo sent to the above ports will be handed to shippers. Documents issued at the above ports to cover cargo shipped after 25th September, 1932 will not be recognized.

Duty will not be levied on through cargo from abroad, *i.e.*, cargo consigned to the above ports but remaining on original vessel, or on native through cargo from the above ports consigned to foreign ports but remaining on original vessel.

Tonnage Dues Certificates issued in the above Manchurian Ports on and after 25th September, 1932 will not be recognized.

H. O. Tong,
Superintendent of Customs.

F. D. Goddard,
Commissioner of Customs,
Officiating.

CUSTOM HOUSE,
Shanghai, Sept. 23, 1932.

CUSTOMS NOTIFICATION No. 1242

With reference to Customs Notification of the 20th March, 1931, notifying the public of the regulations governing the entry of vessels and the presentation of manifests and other ship's papers, and with particular reference to Article 2 (b) of the above regulations, the public is hereby notified that as from the 1st January, 1933, marks and numbers will be required on all cargo arriving from abroad in cases, bags or wrapped in matting. Unmarked cargo may be marked under Customs supervision, upon payment of the usual fee, before applications are submitted to this office. Numbers on packed cargo need not be non-recurring: either non-recurring numbers or the date of shipment or the indent number will suffice. In the case of tin plates and other articles imported solely for the use of the importing firm, its agencies or factories, and not intended for re-export to another open port, numbering will not be insisted upon, but re-export privileges will not be granted in respect of unnumbered cargo of this nature.

H. O. Tong,
Superintendent of Customs,

F. D. Goddard,
Commissioner of Customs,
Officiating.

CUSTOM HOUSE,
Shanghai, 28th September, 1932.

Judge Purdy Criticizes Defendant Firm's Business Methods

After having been occupied for four days in hearing a case in which the S. Zimmerman Import & Export Co. were defendants in a claim made by Z. T. Wong, Judge Purdy in the U. S. Court for China September 22 remarked: "We have now reached this pitiful fiasco where the defendant practically admits the entire claim and tries to claim a small amount on certain vouchers. I have no patience with Americans who adopt that attitude in carrying on business." Judgment was given in favor of plaintiff for $6,128.69, less $820.10 which plaintiff admitted was incorrect.

New Porcelain Factory to be Built Near Hongkong

A new porcelain factory, which will turn out a product of rare beauty and quality, is to be built at Tai Po, Hongkong. The construction of the factory will be undertaken on the recommendation of Fan Chi-mo, formerly Commissioner of the Finance Department of the Kwangtung Provincial Government, who is a leading figure in China's commercial world. The new business will be capitalised at $600,000 and the factory will be equipped with the most up-to-date machinery it is possible to secure. A staff of well-trained men will be employed, under the supervision of To Chung-yuen, who studied extensively in Japan.

China's Japan-Built Cruiser Inspected by Shanghai Bankers

The *Ning Hai*, China's newest cruiser built in Japan at a cost of Gold Yen 1,900,000, on which a flag-raising ceremony was held September 1, was inspected by a group of more than 30 Chinese bankers September 17 as it lay moored in the Whangpoo, off the Kiangnan Dock, Nantao. The *Ning Hai* is 360 feet in length, 39 feet beam, 3,000 tons displacement and has a speed of 25 knots. Under Capt. Kao are 42 officers and 319 ratings.

The Far Eastern Danger

(Manchester Guardian, July 16)

WHILE Europe is struggling with its immediate difficulties Japan is quietly consolidating her position in Manchuria. Even the most partisan opinion in this country must by this time, one imagines, be convinced that Japan has other game afoot than making Manchuria safe for democracy or a prosperous international market. The "Open Door," as far as Manchuria is concerned, is already virtually shut; and the Japanese Foreign Secretary made it clear at the final meeting in Tokio of the Lytton Commission last Wednesday that Japan had no intention of opening it again. In big ways like seizing the Dairen Customs and in little ways like arbitrarily arresting foreign nationals and interfering with the Chinese Eastern Railway Japan has shown those to whom it has not already obvious that she intends to make Manchuria a part of the Japanese Empire. It is not merely a question of China being robbed of a large province and of thirty million Chinese being governed by a foreign Power which they particularly hate, but of the breakdown of an arrangement whereby peace has been preserved in the Far East in extremely difficult circumstances. There was China, an empire falling to pieces; there were the Powers, anxious about existing commercial interests, anxious to turn China's difficulties to their own advantage, and anxious, above all, that no one of them should steal a march on the others. It was an inflammatory situation. The arrangement ultimately made was that China's sovereignty should be respected and equal trading rights enjoyed by all. Japan has consistently sought to upset this arrangement; by occupying Manchuria in spite of the protests of the League and of the United States and by attempting to transform it into a Japanese province, every department of which is controlled by Japanese officials, she has repudiated the whole Pacific settlement, not to mention the Covenant and the Kellogg Pact. It may be objected that in all this no mention has been made of Manchukuo. The omission is deliberate. Everyone, even the British Foreign Office, knows that Manchukuo has no existence apart from Japan. For this country to recognise Manchukuo would be not merely bad policy; it would be ridiculous.

There is no particular point in harking back to the League's feeble attempts to deal with the Manchurian question. Whereas last autumn, when the trouble first began, it would have been practicable for the League to have insisted on a Japanese withdrawal to the railway zone, it is doubtful now whether much can be done. The League, in fact, has failed completely; and when in September or November the report of the Lytton Commission is available at Geneva it is to be feared that the last phase of its failure will be played out and the players disperse. In so far as the long deliberations of the Council, the Twelve, the Nineteen, and the Assembly, have achieved anything, it has been the formulation of the doctrine of non-recognition. The idea, initiated and warmly supported by the United States, is that, because the situation in Manchuria has been brought about by means not compatible with treaties to which Japan is a signatory, it should not be "recognised." Manchukuo, not being respectable, is to be "cut" by the best Powers to exist, like a parvenu family, unrecognised by its neighbors. How far such treatment will upset Manchukuo remains to be seen. At the moment it is too busy with internal difficulties to mind much either way. Japan is only just beginning to realise that, though the Chinese are the worst people in the world at governing themselves, they are amongst the best at preventing others from governing them; and despite the fact that there is a Japanese force in Manchuria numbering, it is said, at least 80,000, guerrilla warfare is going on all the time and not always to the advantage of the invading army. Up to now Japan has brought destruction and chaos to Manchuria rather than, as was promised, civilisation and good government, and even General Honjo admits that it will be another six months at least before the country is pacified.

The menace of Japanese policy in Manchuria, however, is more fundamental than its immediate consequences. Things like reparations, war debts, tariffs, currency problems—the problems that have to be dealt with before there can be any political or economic stability in Europe—are complicated enough, hazardous enough, but, given a set of reasonable statesmen, one can see how they might be solved; the Manchurian problem is beyond reasonable statesmen. It concerns those passions and mass emotions out of which great empires are built and through which the world has from time to time been laid waste. Japan wants to expand. Where is she to expand? Neither Europe nor America will receive her people; the British Empire is closed to her. Where is she to expand but in China? It is so simple. Not caring a button for any signed treaty, any international obligation, Japan has begun to expand in China. We might say, "Let her have China. Who cares about China?" It would be at least an honest, if a shameful, attitude. But even then the thing would not be finished. Established nations like Great Britain cannot understand the wild dreams of a people struggling for "a place in the sun." They can form some idea of the energy available in Japan by what has been accomplished there in three generations, and of the relentlessness with which the Japanese work out a policy by the appalling cruelty of the attack on Shanghai. But even then they cannot understand Japan's passion for conquest, existing naturally and deliberately inflamed by every kind of propagandist device. In face of this passion all the machinery for preserving peace devised by a war-weary Europe broke down. Indeed, it was not even applied as it might have been. By failing to deal with the Japanese invasion of Manchuria the League showed that it could not deal with the most dangerous cause of war. It showed that we were as helpless as ever when a virile people began to swarm. Now Japan has Manchuria and will not give it up.

Japanese Ascribe Newchwang Kidnapping to Peiping Authorities

Allegations made by Japanese officials to the effect that the kidnapping of Mrs. Pawley and Mr. Corkran in Newchwang was inspired by the Chinese authorities in Peiping are ridiculed at Nanking as an attenpt on the part of the Japanese Government to evade the responsibility for the capture of the two unfortunate Britons as well as for the safety of other foreign nationals in the future in the territory which they have seized. "To blame the Peiping authorities for brigandage against foreign nationals in Newchwang," an official spokesman at Nanking remarked, "is just as preposterous as to hold them responsible for the frequent earthquakes in the Island empire."

Hsikang-Tibetan Peace Parley

A proposal recommending the holding of a peace parley for the solution of the Hsikang-Tibet trouble was adopted at the first session of the Western Defence Conference held at Nanking September 21. The Conference was convened by the General Staff Department to find a practical formula for the peaceful settlement of the dispute. It is being attended by representatives of the western provinces of Hsikang, Shensi, Kokonor (Chinghai), Kansu and Yunnan. According to the proposal, which was presented by the General Staff Department, the Monglian and Tibetan Affairs Committee is to be instructed by the Government to convene a peace parley to be attended by accredited representatives of the Tibetan authorities as well as the various Provincial Governments concerned.

One of Nanking's Principal Opponents Leaves the Country

A recent message from Canton stated that Hsiao Fucheng, member of the South-Western Political Council in Canton, has been "permitted to leave Canton, to go back to Siam, never to return." More than once he had applied for permission to visit Bangkok. Mr. Hsiao, one of the foremost supporters of the separatist movement against Nanking, is closely associated in his political work with leading politicians in Canton, including Messrs. Teng Tse-ju and Chow Lu. The Canton message stated that Mr. Hsiao's departure from politics may have a far-reaching effect, leading to improved relations between Nanking and Canton.

Manchukuo to Celebrate on October 10

October 10 will be the 21st anniversary of the Chinese Republic. The Manchukuo authorities have decided to hold celebrations on a grand scale on that date. The Japanese telegrams state that the celebrations are "for the triple purpose of marking Japan's recognition of Manchukuo, precipitating recognition by other countries and promoting the racial spirit of the 30,000,000 Manchukuo people."

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C. T. Liang Speaks on Registration of Trademarks

C. T. Liang of the Bureau of Trademarks was the speaker at the Shanghai Rotary Club tiffin held at the Hotel Metropole September 22. Speaking on the "Registration of Trademarks," Mr. Liang, among other things said: "In the main office here, each division is headed by a chief. When an application for registration of a Trademark is filed it goes first to the division of Preliminary Examination to see if all requirements of law are met. After these are satisfied, it then goes to the Registration Division. For registration trademarks are classified under 70 main groups, which are subdivided into more than 200 classes. At present an application for registration can be examined and approved within one or two weeks. If the Bureau finds the application in order, it will approve the application and publish the trademark in the Trademark Gazette. Six months are allowed from the day of publications for any protests to be entered. If this time elapses without any formal protest, a certificate of registration is given to the applicant. Within a period of three years from the granting of the certificate, a reguest for hearing of any protest may be entered. In the absence of filing a request for hearing, the privilege of exclusive use of the trademark is then established for 20 years."

Russian Products Favored in South China

The boycott against Japan in South China continues with increased vigor and as a result Russian products, especially piece goods, which heretofore enjoyed little sale in the south are steadily finding their way to the South China markets. With the suspension of Japanese imports as a result of the intensive boycott campaign and the shortage of British products due to recent labor troubles in England, Russian cloth is being sold in increasing quantities in the Canton area.

The Chinese press in Canton recently quoted a well-known Hongkong importer as having remarked that the total loss to be suffered by all engaged in the piece goods trade before the end of the year will amount to $8,000,000. It is stated that there are not sufficient goods to meet the increasing demand. The Soviets are not taking any orders, but prefer to sell from stock.

Sun Fo Arrives Here from the South

Sun Fo, former president of the Executive Yuan, arrived in Shanghai from South China September 26. He made an announcement of policy which includes immediate severance of diplomatic relations with Japan, resistance against Japan, and resumption of diplomatic relations with Soviet Russia. He denied that he had been invited to take up any post in Nanking.

Government Leaders Hold Conference at Kuling

Advices from Nanking September 29 stated that an important Conference would take place in a day or two at Kuling to be attended by General Chiang Kai-shek, who was coming down from Hankow; T. V. Soong, Minister of Finance and acting President of the Executive Yuan; Lin Sen, Chairman of the National Government, and General Ho Ying-ching.

Shantung Also Becomes Air-Minded

A Public Subscription Committee to solicit funds for building of an air force for the defense of Shantung was organized at Tsinan Sept. 16. A committee of eleven members, among whom is General Chin Yun-ao, former Tupan of Honan in the defunct Peking regime, was appointed. Each of the various districts of the province is expected to contribute a definite amount. The large bodies such as Tsinan, Tsingtao, and Chefoo are each to contribute $100,000; other districts are expected to raise $3,000 each. Funds collected will go towards the purchase of airplanes.

Kuomintang Leader Says Executed "Red" Is His Eldest Son

Chen Hsu-jen, member of the C. E. C. and chairman of the Overseas Chinese Affairs Committee, declared in Nanking Sept 26 that Chen Fu, the youth who was recently executed in Canton on a charge of Communism, was his eldest son. The bereaved father is leaving for Canton to conduct a personal investigation into the tragic death of his son, despite the denials given by General Chen Chi-tang, chairman of Kwangtung province.

U. S. to Spend G$1,729,000 on Work at Pearl Harbor

The allocation of money authorized for building projects under the $10,000,000 emergency relief construction fund authorized by the last session of the Congress was announced by the Navy Department at Washington Sept. 20 and includes: For the United States naval base at Pearl Harbor, Honolulu: $1,729,000; for the Mare Island, California, navy yard, $718,000 for improvements; for the Bremerton, Washington, navy yard, $455,000; for the San Diego, California, destroyer base, supply depot and training station, $310,000. (all U. S. currency.)

China's Huge Imports of Food Supplies

Speaking at the weekly memorial service at Central Party Headquarters September 26, Tang Yu-jen, Chief Secretary of the Central Political Council, declared that the present economic crisis of the country is no less acute than the crisis arising from Japanese military aggressions. The most conspicuous manifestations of this economic crisis, he said lie in the fact that China's trade balance shows an excess of imports over exports to the staggering amount of $540 millions. Of these imports, the major portion consists of foodstuffs and raw materials, which shows that in spite of her vast resources and her being essentially an agricultural country, China has to depend upon other countries for food supplies.

Enormous Advance of Electrification in Soviet Russia

The great strides of electrification in the U.S.S.R. are reflected in figures published in Moscow recently showing the growth in production of electrical energy since 1924. The production of electric power in the Soviet Union advanced from 1924 to 1929 by 600 percent, reaching 6,386,000,000 kilowatt-hours. From 1929 to 1932 production was brought up to 10,795,000,000 kilowatt-hours, a further increase of 166.0 perecnt. The aggregate capacity of the electric stations put into operation in Soviet Russia in 1931 alone amounts to 1,000,000 kilowatts, or equal to that of the total electric stations which existed in Russia under the Tsar.

Captain Angus Transfers "Ballshead" to Customs Authorities

The charge of smuggling greyhounds preferred against Captain Percy Y. Angus of the steamer *Ballshead*, was withdrawn at the British Supreme Court in Shanghai September 27 by the Chinese Customs authorities, whose lawyer explained that the ship, which had been seized by the Customs, had been transferred unconditionally by the defendant to them and therefore there was no further object in pursuing the action.

Nanking Broadcasting Station to Be Inaugurated October 10

Formal inaugural ceremonies for the newly constructed Central Radio Broadcasting Station at Nanking will be held on October 10, National Independence Day. This new station, which has a 75-kilowatt capacity, is the largest in Asia and the third largest in the world being surpassed only by one 200 and one 120-kilowatt station in Europe. Messages may be broadcasted within a radius of over 3,000 miles, reaching all parts of Siberia, Asia Minor, Australia, and North and South America from Nanking. It was installed at a cost of $1,500,000.

Yellow River Destroys Part of City of Pingmin

A despatch from Taiyuen states that more than half the city of Pingmin, in the southwestern corner of Shansi, has been destroyed by the whirling waters of the Yellow River which, by suddenly altering its course in a more easterly direction, has cut almost directly across the city. The inhabitants of Pingmin have fled to the neighboring districts for safety. Pingmin, which was situated on the eastern bank of the River, now finds itself on the western bank as a result of the change in the river's course.

Germans Honor Dr. Hu Shih, Eminent Chinese Scholar

More than 20 prominent Chinese scholars and scientists attended a dinner given Sept. 22 by the German Minister, Herr Trautmann, at the German Legation in Peiping, in honor of the election of Dr. Hu Shih, the well-known Chinese scholar, as a Correspondent Member of the Prussian Academy of Science. Herr Trautmann paid a glowing tribute to Mr. Hu Shih's scholarship. In the course of a short speech in responding to the toast, Mr. Hu said that he considered the honor conferred upon him was one of the greatest in his life and he would strive his best to be worthy of it.

Dr. Schnee Says Germans Not Hurt By Lack Of Extrality

Dr. Heinrich Schnee, the German member of the League Commission, when interviewed at Berlin Sept. 20 shortly after his return from the Far East spoke on the disperate economic plight of the peoples of the Far East and declared that, just as the others and as everywhere, German businessmen in the East are passing through very hard times. However, with the exception of a few isolated cases, the abolition of extraterritoriality had not adversely affected German interests in China.

Japan Contracts to Buy Soviet Oil

As a result of negotiations that have been proceeding in Moscow for several weeks an agreement was signed last week by M. Riabovol, chairman of the Soviet oil export trust, and Kojiro Matsukata, a prominent Japanese businessman, whereby a quantity of over 200,000 tons of gasoline will be supplied to Japan by the U. S. S. R.

The telegrams stated that although the transaction was a purely business one, in the background was the desire of Japan to be independent of U. S. oil supplies, more particularly in the event of war.

A *Reuter* message from Tokyo, September 27, stated that a Russo-American battle on oil in the Japanese market is threatened with the conclusion of the oil agreement between Kojiro Matsukata, prominent Japanese business man, and the Soviet Oil Export Organization. The agreement provides that 200,000 tons of gasoline will be exported to Japan from Baku on a commission basis; and that five big tanks will be established in five industrial centers in Japan.

Latest New York Stock Exchange Quotations

Market:—Irregular Business Done 1,400,000 Shares

Sept. 28, 1932

1931 High	1932 Low	Div.$ per Sh.	STOCKS	Mon. Sept.26	Tues. Sept. 27
9⅜	1⅝	—	Adams Express	7¼	7⅜
87½	42½	*6.00	Allied Chemical & Dye	80½	79⅝
14½	4	—	Allis Chalmers	10	10¾
73⅞	29⅝	*4.00	American Can	54	54
14½	2	—	Amer. & Foreign Power	10⅝	10¾
9⅝	1⅛	—	Amer. & For. Power W.	7	7¼
26½	5¼	—	American Smelting	18¼	19½
137⅜	70¼	9.00	American Tel. & Tel.	112¾	112¼
86¾	44	*5.00	American Tobacco "B"	81	82
34⅛	11	2.00	American Waterworks	25¾	26½
18⅜	3	—	Anaconda Copper	13	13
151¾	28¾	*4.00	Auburn Automobiles	53	54
21⅜	3¾	—	Baltimore & Ohio	17⅜	18¼
29	7¼	—	Bethlehem Steel	22¾	23½
43⅛	20	*2.00	Borden Company	29⅝	29¼
13½	3⅜	—	Borg Warner	11¼	11⅜
20⅝	7¼	—	Canadian Pacific Railway	16⅝	17¼
63¾	16¾	—	Case, J. I.	54	54⅛
47⅞	19	2.00	Chase Bank	41¾	42½
20⅝	4⅞	2.00	Chesapeake Corp.	16	16½
21	5	1.00	Chrysler	17¾	18⅜
6⅞	1¼	—	Cities Service Co.	4¼	4⅛
20⅞	4¼	1.00	Columbia Gas & Electric	16¾	17
5	1⅝	.30	Commonwealth & Southern	4	3⅞
15/16	1 16	—	" " warr.	11 16	11/16
68¾	31½	4.00	Consolidated Gas. of N.Y.	60	60⅛
9⅛	3⅝	—	Continental Oil	6⅝	6⅝
50	24¾	*3.00	Corn Products	52	54
4¾	1½	—	Coty Inc.	5⅜	5¼
3	⅞	—	Curtiss Wright Co.	2⅝	2¾
57	23	4.00	Drug Incorporated	43½	38⅜
59¾	22⅛	2.00	Du Pont de Nemours	41¼	42⅜
87⅞	35¼	3.00	Eastman Kodak	55¼	57
45¼	5	6% S	Electric Bond & Share	34	33⅜
15½	2¾	—	Electric Power & Light	11½	11⅝
5⅝	1	—	Fox Film "A"	3¼	3⅞
26⅛	8½	.40	General Electric	18⅜	18⅝
40½	19⅝	2.00	General Foods	30¼	31
24⅝	7⅝	1.00	General Motors	17	17⅝
28⅝	6⅛	1.0	General Railway Signal	17½	Unq.
24¼	10⅜	1.00	Gillette Safety Razor	18½	18¾
19⅞	8¼	1.60	Gold Dust	18¼	18⅛
11⅝	2¼	—	Goodrich Rubber	8	8¼
28⅜	5½	—	Goodyear Tire & Rubber	21⅛	22
18¾	3⅝	—	International Cement	12½	14
1⅞	½	—	International Combu. Eng.	1	1⅛
32¼	10⅜	1.20	International Harvester	27¼	27½
12¼	3½	—	International Nickel	9⅝	9¾
15½	2⅝	—	International Tel. & Tel.	12⅝	13⅛
31½	10	—	Johns Manville	28¾	29⅛
19	4⅞	—	Kennecott	13½	14
9⅛	1/32	—	Kreuger & Toll	¼	¼
65½	32⅛	*4.00	Liggett & Myers, "B"	64⅛	65
36⅞	13¼	*3.00	Loew's: Inc.	32	31¾
17½	9	1.20	Lorillard P. Co. (com.)	16⅜	16¼
11⅜	1½	—	Ludlum Steel	8¾	Unq.
15¼	3½	—	Montgomery Ward	14½	15⅛
64½	23¾	20.0	National City Bk. bid price	53⅛	54½
9⅞	2½	—	Nevada Copper	6¾	7¼
36⅝	8¾	—	New York Central	28⅞	29¼
42¾	13¾	10%S	North American Co.	35⅛	35¾
37	16⅞	2.00	Pacific Gas & Electric	31	30⅝
5¼	1½	—	Packard Motors	3¾	3⅞
11½	1½	—	Paramount—Publix. Corp.	4⅞	5⅛
23⅜	6½	—	Pennsylvania Railroad	19	19¾
4¼	1	—	Pennroad Corporation	3	3
⅛	2	—	Phillips Petroleum	6	6⅛
60	28	3.20	Public Service of N. Jersey	49	51
12½	2½	—	Radio Corporation	9⅝	9⅞
7⅛	1½	—	Radio-Keith Orpheum	5½	5½
45⅝	26½	3.00	Reynolds Tobacco "B"	35½	35¼
37⅜	9⅞	—	Sears Roebuck	24¼	24½
8⅜	2½	—	Shell Union	6⅞	7
12⅝	3	—	Simmons Company	12	13
12½	5¼	.80	Socony-Vacuum Corp.	9⅞	10
32¾	15¾	2.00	SouthernCaliforniaEdison.	26⅝	27¼
34¼	7⅝	2 00	Standard Gas & Electric.	22	21¾
37¼	19⅞	*1.00	Standard Oil of N. Jersey	30½	31¼
17¾	9¼	1 00	Texas Corporation	13⅝	13¾
26¾	12	2.00	Texas Gulf Sulphur	23⅜	22⅞
7	2⅛	-	Trans America	6⅛	6
36⅜	15½	1.20	Union Carbide & Carbon.	28⅛	28½
94½	27⅝	6.00	Union Pacific Railway	76½	76
32¼	6½	—	United Aircraft & Trans	30	30
13⅜	3½	.40	United Corporation	11	11
21⅞	9¼	1 20	United Gas Improvement.	19¼	19
9¾	1¼	—	U.S. Rubber	7	7¼
52⅝	21¼	—	U.S. Steel	42¾	43⅛
23¼	5¼	—	Vanadium	17	17½
4½	½		Warner Bros. Pictures	3	3¼
43½	15⅞	—	Westinghouse E. & M.	34⅛	34
45⅝	22	2.40	Woolworth	39	38½
*Plus extras			Call Money	2%	2%

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More "Manchukuo" and Fewer Chinese Students in Japan

The Tokyo University of Technology has decided to accommodate students from among the Manchukuo subjects and is now making preparations for the establishment of a preparatory course for them so as to give the necessary preliminary education to enable them to be admitted to the University.

The total number of Chinese students in Japan is only 1,400 at present, it was announced by the Japan-China Society, Tokyo, September 13. This is about one-third of the Chinese students in 1931, when there were 3,096 studying at various schools in Japan. As some of the students enrolled at different schools have not yet returned from their homeland, the actual number of the Chinese in Japan is probably not more than 800 altogether.

Chinese students now remaining in Japan's military schools represent but one-tenth of their original number. The number of girl students from China also dropped sharply. The present figure is 96 as compared with 193 last year.

Recruits for 19th Route Army Return from Foochow

About 100 men of the 19th Route Army brought to Shanghai from Foochow, were sent to Nanking by several coaches added to the regular night express Sept. 21. These men had been recruited from the various districts along the Yangtsze, and had been transported to Foochow to replace the wounded and killed members of the 78th Division, but when the new men arrived at Foochow they found that recruits from Canton had already joined the Division and that their services were not required.

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179 SZECHUEN ROAD

The National City Co. Gold Bond Quotations Received From Head Office

Sept. 15, 1932,

SECURITY	RATE & DATE DUE	Price	Approx Yield %
The National City Bank of New York	Stock	57¼	—
Argentine Government	6 % May 1, 1960	55¼	11.37
U. S. of Brazil	6½% Oct. 15, 1957	16½	—
Republic of Finland	6½% Sep. 1, 1956	67½	10.27
German Central Bank for Agriculture	6 % Oct. 15, 1960	47¾	—
Kingdom of Italy	7 % Dec. 1, 1951	95¼	7.47
State of Minas Geraes Series "A"	6½% Sep. 1, 1959	11½	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	51½	—
American I.G. Chemical Corporation	5½% May 1, 1949	79	7.78
Rhine Westphalia Electric Power Corp.	6 % Apr. 1, 1955	51½	12.48

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 % 1925	64¼	—
Chinese Govt. Re-org. (£) Loan Stamped	5 % 1913/60	66½	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913/60	64½	—
Chinese Government (Crisp Loan)	5 % 1912	44	—
Shanghai-NankingRailway	5 % 1904/08	40	—
Shanghai - Hangchow-Ningpo Railway	5 % 1908/58	62	—
Hukuang Railway	5 % 1911/1951	20	—
Tientsin-PukowRailway	5 % 1908/09	22	—

NOTE: The above quotations are received by cable and whilst believed to be correct are not guaranteed.

The National City Bank of New York, Rates of Exchange

Shanghai, Sept. 28, 1932

Demand selling rate on America: U.S. $1.00=Sh. $4.7866
Demand buying rate on America: U.S. $1.00=Sh. $4.6814
Demand selling rate on London: £1.0.0=Sh. $16.529
Demand buying rate on London: £1.0.0=Sh. $16.192

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